



Daily Report

East Europe

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U.S. To Inspect 'Friendship 88' Exercise
LD031150 Budapest Domestic Service in Hungarian
1100 GMT 3 Feb 88

[Text] In accordance with decisions adopted at the Stockholm Conference, a U.S. military delegation will arrive in Hungary tomorrow to inspect a section of the "Friendship 88" military exercise, which is currently taking place. Our homeland notified the states participating in the Helsinki process about the maneuver in advance and on the basis of this, the U.S. side has asked to be allowed to conduct an inspection on the scene. The U.S. request was made through diplomatic channels.

The delegation will visit a region in the Transdanube, north of Lake Balaton.

'Liquidation' of USSR Missiles in CSSR
LD301716 Prague CTK in English 1623 GMT 30 Jan 88

[Text] Prague Jan 30 (CTK)—Today's RUDE PRAVO carried a report from the military zone near the town of Hranice in Moravia where there is "the only base of

Soviet shorter-range missiles on Czechoslovak territory equipped with OTR-22 (SS-12) missiles" and said they are "missiles assigned for liquidation".

The daily said a Soviet officer reacted to a statement that the missiles had accomplished their mission in the following words: "No, this is just what they have not done. In this lies a great victory. They may have accomplished, in a certain sense, their political mission, they contributed towards diplomatic negotiations but they have not been launched and these will never be. They will be dismantled, liquidated, destroyed - and this is a common win which also we, officers, applaud, also because we know better than anyone else what these weapons are capable of doing."

The debates with Soviet soldiers indicated that they felt well in Czechoslovakia but that their presence in this country ends with the signing of the Soviet-U.S. INF Treaty and that they are looking forward to returning home.

Press Views Macedonian Demographic Policy

AU031313 Tirana BASHKIMI in Albanian

29 Jan 88 p 4

[Prof Kristaq Prifti article: "Macedonian Chauvinists in a Neo-Malthusian Role"] txt

[Text] Reports in the Yugoslav press show that great concern has recently been revived in Macedonia, Serbia, and the whole country over the natural growth of the Albanian population. Although in itself this is a biological process, indivisible from the existence of society, in Yugoslavia the natural growth of the Albanian population has assumed a different meaning, and has become a political issue. The higher birthrate among the Albanians in comparison with other peoples in Macedonia, Kosovo, and Yugoslavia as a whole is described in the highest forums of the state and in social and political organizations as "a cause of the deterioration of the political situation in Kosovo," and "an act of Albanian nationalism," which, amazingly, aims to create an "ethnically pure territory" in Kosovo and Macedonia.

Such statements are put forward even though it is well-known that the Albanians as a people, not only in Yugoslavia but also in the People's Socialist Republic of Albania, have the highest birthrate in Europe. The faster growth rate of the Albanian population in Kosovo and Macedonia is explicable because of the predominance of younger age groups, which make up 50 percent of the general Albanian population.

Even though this is not the first time that such concern has been voiced in Yugoslavia, in Macedonia it has now taken on a new note of alarm. The steps being taken in the Republic of Macedonia to limit Albanian population growth are reminiscent of neo-Malthusian theory and practice, which is apparently coming back in Yugoslavia.

At meetings of the Macedonian LC Central Committee, the natural growth of the Albanian population is described by people in the highest positions in Macedonia as "a political issue" which "concerns the whole Yugoslav community," and almost puts the position of Serbs, Montenegrins, and Macedonians in jeopardy. The meeting of the Macedonian LC Central Committee Presidency on 6 October 1987 again emphasized the growth of the Albanian population in western Macedonia. The creation of families with five or six children, which is quite common and normal among Albanians, was declared by the Macedonian LC in the most ridiculous fashion to be "organized and hostile activity on the part of Albanian nationalists and separatists." This meeting also demanded "necessary measures" to reduce the high birth rate among Albanians in the communes of western Macedonia, which are mainly Albanian-inhabited.

FLAKA E VELLAZERIMIT on 9 October turned Hamlet's question of "To be or not to be" into "To be born or not to be born"! If Hamlet's question could give rise to a family tragedy, the answer to the question "To be born or not to be born," posed by the Macedonian leadership,

results in dire and fatal consequences for the entire Macedonian Republic. The culprits for this are none other than the Albanians, whose children will cause the population of Macedonia to grow to 2.4 million by 2001, while the population of working age will be 1.5 million something which "Macedonia cannot cope with at its present rate of economic development." So they invent and broadcast the so-called "Albanian demographic explosion," the bogey of the high Albanian birth rate, whose consequences will by 2001 bring about a "catastrophe" for Macedonia and the Macedonian people, "paralyzing economic and social development, health, education, and culture." It is well-known that neither Macedonia nor Yugoslavia as a whole can solve the economic and social problems the country currently faces with neo-Malthusian methods, or by reducing the Albanian birth rate. The noises being made about the supposed peril to Macedonia posed by the growing Albanian population are no doubt aimed at justifying the inhumane administrative measures the state authorities are taking against the Albanian population.

Macedonia's leaders are consistently following their chauvinist policy, whose aim is to strike against the Albanians, and to reduce their number in Macedonia as far as possible. In December 1987, a special resolution was passed concerning "the future model Tetovo (read: Albanian) family, which will have no more than four members." All those married couples who do not conform to this ruling will be deprived of the rights of the other citizens of Macedonia, and will have to meet the costs of the natal and medical care of their third child, including vaccinations, injections, prescriptions, etc. The imposition of a tax upon the third child is also foreseen. Families with more than two children will have restricted rights in employment, earnings, in housing allocation, and in loans for building houses. These measures will be enforced only in those communes where Albanians make up the overwhelming majority or are a considerable proportion of the population, as in Tetovo, Gostivar, Debar, Kicevo, and Struga.

So the policy of anti-Albanian discrimination raises its head here as in other areas. Administrative measures to restrict the Albanian birth rate and to impose family planning are a brutal violation of human rights. The fact that such measures are being taken against the Albanians alone, at a time when natality among the Macedonian populace is being encouraged and stimulated by all possible means, proves clearly that Macedonia and Yugoslavia are not worried about population growth in general, but only about the growth of the Albanian population. Those very same forums that demand a limit to the Albanian birth rate lament "the low birth rate among the Macedonian population, which is not even adequate to ensure its normal replacement."

Apparently they are thinking of applying the Macedonian "model" of reducing the Albanian population in other Albanian-inhabited areas. It is no accident that similar calls to limit Albanian population growth have

also been heard in the highest Yugoslav forums. At the meeting of the LCY Central Committee Commission for Ideopolitical Questions, held on 28 October 1987 to discuss "demographic tendencies in Yugoslavia and their effect on intranational relations," measures were again called for to reduce the Albanian population. Milica Grkovic said "There is no area of Yugoslavia that can support families with seven children, such as exist in Kosovo." But for the sake of truth it must be said that such assertions were opposed not merely by the Albanians, but also by representatives from other republics. Dusan Djasic, from Vojvodina, stressed at the above-mentioned meeting that "it is absurd to encourage the birth rate in some areas and restrict it in others by even denying children's right to health care." Silvia Meznaric from Croatia expressed the same opinion and asked: "Why is natural population growth in some parts of Yugoslavia being politicized at this stage of the country's development?" RILINDJA on 30 October 1987 reported that Hivzi Islami, one of the most distinguished demographers in Kosovo, at the same meeting of the LCY Central Committee Commission for Ideopolitical Questions, described as neo-Malthusian all demands to limit the Albanians' birth rate, and refused to accept attempts to explain this population growth as being a result of specific ideological causes. "Why is increasing emphasis being placed on the Albanian birth rate?" Islami asked,

"And why is it asserted that the Albanians supposedly jeopardize the demographic and political prosperity of the Serbs, Macedonians, and Montenegrins, and of Yugoslavia as a whole? Why this demand to restrict the number of Albanian births? Does this not imply an attempt to remove Albanians from the category of citizens of Yugoslavia?"

Whatever name the chauvinists give to the campaign being mounted in Macedonia and Yugoslavia against the growth of the Albanian population, it has, without a doubt, a single aim: to Slavicize the areas with an Albanian population in Macedonia and Kosovo, and the other areas of Yugoslavia inhabited by Albanians. This campaign recalls the notorious policy drafted by the Serbian chauvinist Belgrade Culture Club in 1937 to deport the Albanians from Yugoslavia, whose bitter fruit must still be fresh in the mind of its author, the 90-year old academician, Vasa Cubrilovic. The Albanians, who have given proof of their endurance as a people and a nation down the centuries, and of their boundless love for their homeland and birthplace, and who have shed their blood for its defense, will not allow these latter-day chauvinists to assimilate them or chase them from their native lands, where they have lived as an indigenous people since ancient times.

U.S. State Department's Whitehead Arrives
AU040741 Sofia BTA in English 1954 GMT 3 Feb 88

[Text] Sofia, February 3 (BTA)—The relations between Bulgaria and the U.S. have improved, this is the opinion of the U.S. deputy secretary of state, who arrived this evening a year after his first visit to Bulgaria.

"We hope to further our relations with Bulgaria and to make a step or two forward again", he said at the "Sofia" airport.

Relations between countries sometimes develop slowly but when we keep working at it they gradually improve. That's the situation with Bulgaria, Mr. Whitehead said.

Mr John Whitehead, who arrived here from Poland, was welcomed by Mr Mariy Ivanov, first deputy minister of foreign affairs, and by Mr Lyuben Gotsev, deputy minister of foreign affairs.

Plan Fulfillment Results for 1987 Announced
AU011531 Sofia RABOTNICHESKO DELO in Bulgarian 27 Jan 88 pp 1-3

["Announcement of the Central Statistical Administration on the Results of Fulfillment of the 1987 Uniform State Plan for Bulgaria's Scientific, Technical, and Socioeconomic Development"—passages in boldface as published]

[Text] In 1987 the national economy continued its dynamic development. There was a deepening and expansion of the processes of transition toward qualitatively new growth, based on the predominantly intensive and technological factors, in accordance with the decisions of the 13th BCP Congress and the July 1987 and November 1987 Plenums of the BCP Central Committee.

The renewal processes in the economy showed a rapid development. The Plan for Scientific, Technical, and Socioeconomic Development for 1987—the second year of the Ninth 5-Year Plan, was fulfilled under conditions of increased creative, labor, and political activity. In this respect the last months of the year, which passed under the sign of the great political event, the National BCP Conference, stand out particularly vividly.

The results achieved are the fruit of intense creative work by the people and of the measures undertaken by the party and state organs to overcome the problems and difficulties that cropped up in the course of fulfilling the plan. The overall assessment is that during the year, despite the objective difficulties that occurred, especially in agriculture, and despite certain weaknesses of a subjective nature, the economy continued its dynamic and stable forward development.

I. General Economic Indices and Rates of Development of the National Economy

The 1987 Uniform State Plan for Scientific, Technical, and Socioeconomic Development was fulfilled according to the main indices.

According to provisional data, the country's economic and social development was characterized by the following main indices:

Indices	1987 as percentage of 1986
National income produced	105.1
Social labor productivity	105.2
Industrial goods production	104.4
Agricultural production	96.2
Aggregate profit in nonagricultural organizations	109.4
Material expenditure per 100 leva of production in nonagricultural organizations (not including depreciation allowances)	98.2
Numbers of workers and employees in the national economy	100.2
Average wages of workers and employees in the national economy	103.5
Social consumption funds	104.9
Retail goods turnover (not including hard liquor)	105.5

The whole of the growth in national income produced was obtained from an increase in social labor productivity.

The rapid increase in social labor productivity was greatly influenced by the intensive factors—the reduced material, energy, and labor contents of the social production.

Basic funds to the value of about 9.5 billion leva were brought into operation.

The foreign trade goods exchange reached 27.8 billion leva. Our country deepened its integration with the Soviet Union and the other CEMA member countries. A start was made in actively applying new forms of cooperation. Direct production and other economic links expanded with enterprises and organizations in the fraternal socialist countries. Business contacts and interrelations deepened with a number of firms and organizations in nonsocialist states.

In 1987 conditions were created for the more effective utilization of production capacities. In 36 percent of the industrial enterprises with continuous production processes, the plant and equipment is operating with two or more working shifts.

Taken overall, the economic organizations in material production operated with about 10,000 fewer staff than in 1986. There was an increase in the numbers of those employed in the services sector.

Efforts were made to make more rational and effective use of raw and other materials and manpower, as a result of which expenditures were reduced and profitability increased in the production of the nonagricultural organizations. The prime cost per 100 leva of production fell by 1.4 percent as compared to 1986, while material expenditures per 100 leva of production (not including depreciation allowances) were reduced by 1.8 percent.

However, along with the positive results, certain difficulties and weaknesses appeared, and to a certain extent they had an unfavorable effect upon the national economy's development.

Certain economic organizations failed to use their production capacities as fully and effectively as they should have. In a number of enterprises conditions were not created for changing over to two- and three-shift operations; highly productive and expensive machines were allowed to operate on a single shift system, and some were even allowed to stand idle.

State orders for the production of certain important types of products were not fulfilled, nor were contracts for the delivery of raw and other materials and finished products carried out. This created difficulties in supplying and ensuring the smooth operation of certain producers, both for the home market and for export.

II. Structural and Technological Reorganization of the National Economy

The progressive structural changes in the production complexes and the national economy as a whole continued to deepen and expand during 1987. Conditions were created for the rapid introduction of scientific and technical progress, especially in the leading production complexes.

The activity of the self-managing economic organizations was directed toward rapidly developing and mastering important scientific and technical achievements as the basis for restructuring the economy and for progressive changes in production and export.

The capital investments for the introduction of new technologies and equipment were 9.5 percent higher than in 1986.

Renewal of technologies and production was carried out at rapid rates in the strategic directions of scientific and technical progress.

The following basic complexes showed rapid growth in production: "Electronics"—16.0 percent; "Heavy Machine Building"—8.6 percent; "Power Industry"—5.7 percent; and "Industry for Man"—5.1 percent.

The "Electronics" complex contributed 38 percent of the overall growth in goods production, and "Industry for Man"—14.9 percent.

The "Biotechnological and Chemical Industry" complex produced 17.8 percent of the country's goods production.

The product structure of manufacture continued to improve.

The percentage of updated products increased to 9.3 percent of the industrial goods output, as compared to 7.0 percent in 1986. Higher degrees of product renewal were achieved in the "Electronics" complex—25.7 percent; in "Heavy Machine Building"—18.2 percent; in the "Transport, Agricultural, and Construction Equipment" complex—14.7 percent; and in "Industry for Man"—10.7 percent.

In the strategic sectors of **Electronics Applications and Automation**, the developments completed and mastered in production create a qualitatively new software and hardware base (modules, complexes, and systems,) by which the reorientation will be carried out toward systematic production and synthesis of electronics with industrial technologies.

The machinery stock of mechanized and automated means of production increased. At the end of 1987, 5,306 mechanized and automated production lines were in service. Last year integrated mechanization and automation was carried out in 1,592 sections, workshops, and types of production, and 11 flexible automated production systems, 493 automated control systems for technological processes, 105 automated warehouses, etc, were also introduced.

The integrated system for train movement control on the Sofia-Plovdiv railway line was completed. There was an expansion in the utilization of automated control systems for road freight vehicle journeys.

In optical electronics and laser equipment there were extensions in the product ranges of lasers, laser technological equipment, optical-electronic instruments for automating production, and other components. In the new materials sector priority is being given to developing and technologically mastering for production monocrystals, industrial ceramics for microelectronics, metallurgy, and machine building, as well as to increasing the use of local raw materials.

In biotechnologies and the chemical industry the technological renewal was completed of the production of antibiotics for human medicine and animal farming. New genetic engineering and hybridization methods and technologies based on a number of modern biological preparations were developed for therapeutic use, as well as highly sensitive and specific agents for diagnostics and new generations of vaccines for use in human and animal medicine. There was an expansion in the application of cell technologies in plant breeding. Polyols were mastered for polyurethane foams, as well as a wide range of glass-reinforced plastics products for making up installations operating in aggressive media, sectional products for construction, powdered polymer materials, chemicals for electronics, insulation foils, and other products.

In the heavy machine-building sector the design and mastering was completed of technologies for the production of nonferrous metal castings by the gas back pressure method, presses for hydroplastic processing, and other items.

In order to expand and diversify the range of consumer goods produced, in 1987 new and improved technologies were mastered for production of combed [penirani] yarns, fine fabrics and underwear made of combed yarns, and for single-filament machine knitting. The application was extended of the new, original Bulgarian "Prenomit" and "Predima" technologies.

State acceptance of production was introduced in 295 self-managing economic organizations. State quality marks were granted to 10.8 percent of the products subject to evaluation.

III. Development of Material Production

The self-managing economic organizations in industry produced goods output to the value of 41.4 billion leva. Social labor productivity in industry rose by 7.3 percent. The prime cost of industrial production was reduced, mainly because of decreases in material expenditures. Over 880 million leva more profits were realized as compared to 1986.

The results achieved in the production complexes in relation to the main indices were as follows:

Production Complexes	1987 as percentage of 1986			
	Industrial goods output	Net production	Aggregate profit	Social labor productivity
Electronics	116.0	117.6	119.6	110.6
Biotechnological and chemical industry	101.3	109.4	110.4	105.9
Transport, agricultural, and construction machine building	103.4	106.5	108.7	105.0
Heavy machine building	108.6	118.3	128.9	112.1
Industry for man	105.1	107.0	108.9	105.5
Power industry	105.7	106.1	115.6	104.6
Forest industry	100.3	106.3	115.1	105.4

The following data shows industrial production by oblasts:

Oblasts	1987 as percentage of 1986
Sofia City	104.6
Burgas Oblast	101.2
Varna Oblast	99.3
Lovech Oblast	102.0
Mikhaylovgrad Oblast	103.1
Plovdiv Oblast	104.1
Razgrad Oblast	105.5
Sofia Oblast	105.3
Khaskovo Oblast	107.5

There was an improvement in using the possibilities for territorial concentration and specialization in material production and development of activities for providing integrated services to the population. The results in the individual complexes are characterized by the following indices in the main types of production and activities:

"Electronica" Complex		
	Produced in 1987	1987 as percentage of 1986
Microcomputer systems, personal and professional, units	24,863	100.8
Remote processing systems, thousand leva	59,955	125.7
Disk subsystems, units	2,886	130.2
Printed circuit automated control systems, units	33	150.0
Automatic telephone exchanges, thousand lines	435	106.9
Processing centers, units	448	151.9
Machine tools with numerical program control, units	493	117.9
Automatic process lines for machining, units	26	113.0
Color television sets, thousand units	142	150.2

Regular production began of microcomputer systems for industry, matrix processors, new systems for data preparation, graphics stations, and a mosaic printing device. New flexible automated systems were produced, as well as new types of precision metal-cutting machines, a new range of industrial robots and manipulators, new models of computers, automatic telephone exchanges, and work stations for the semiautomated assembly of printed circuit boards.

The performance parameters were raised of automatic technological modules, magnetic disk memory devices, and other products. The prime cost of production was reduced by 2.1 percent.

The enterprises from the "Information and Communications Systems" Economic Trust failed overall to fulfill the tasks relating to production of radio relay and condensing [uplotnitelni] telephone systems and work stations for semiautomated printed circuit board assembly, while the enterprises from the "Microprocessor Systems" Economic Trust did not fulfill the tasks relating to automation systems for technological processes.

"Biotechnological and Chemical Industry" Complex		
	Produced in 1987	1987 as percentage of 1986
Soda ash, industrial grade, thousand tonnes	1,070	101.5
Mineral fertilizers (based on 100 percent nutrient matter), thousand tonnes	929	97.8
Synthetic fibers and silks, tonnes	50,620	105.5
Tires for trucks, buses, trolleybuses, and trailers, thousand units	883	108.2
Refrigeration compressors and combined units, thousand units	159	113.0
Complete equipment for production of bread and bread products, units	30	120.0

The production of biological products rose by 9.7 percent, of chemical-pharmaceutical products and medicinal agents by 5 percent, of perfumery and cosmetic products by 9.3 percent, and of medical biotechnical equipment by 11 percent.

Production began on a number of new and improved products, such as technical-grade tylosin and tylosin tartrate, Tubocin, flavomycin, Biovit, pulverization installations for biological products, 250 cubic-meter-capacity biological fermenting units for beer, installations for processing waste food products, laboratory and semi-industrial complete membrane installations for ultrafiltration and reverse osmosis, multipurpose metering feed installations for fluid and paste-like products, cleansing installations with biological disks [biodyiskove] for industrial and household effluents, soft drink production and bottling lines, "clean room" installations and

equipment, machines for filling and packaging of fluid-products, unethylated gasoline, low-lead content gasoline, small lines for processing milk, glass-reinforced thermoplastics, polypropylene, saturated polyesters, and other products.

As compared with 1986, the prime cost of 100 leva of products fell by 1.4, profitability rose by 5.6 percent, and the fund yield index rose by 5.9 percent.

Certain economic organizations failed to fulfill the tasks relating to the production of priority and other products, such as the "Rubber Products" Economic Trust—in respect of car tires, the "Agrobiokhim" and the "Plastkhim" Economic Trusts—in respect of new polymer materials, and so forth.

"Transport, Agricultural, and Construction Equipment" Complex		
	Produced in 1987	1987 as percentage of 1986
Electric lift trucks, units	47,757	100.1
Diesel-powered lift trucks	37,403	100.7
Trucks, units	7,282	103.6
Articulated buses, units	296	148.0
Combined machines for soil cultivation, units	150	200.0
Excavators, units	1,041	115.7
Diesel internal combustion engines, units	46,421	105.2
Silage combine harvesters	22,853	111.8

New types of production were mastered, such as a series of robot cars for installation operations, electrically powered cable hoists with radio and remote control, and other products. The prime cost of production fell by 0.9 percent.

Certain economic trusts failed to fulfill individual production tasks, such as the "Rail Car Construction" Economic Trust—with respect to production of freight cars, the "Agromashina" Economic Trust—with respect to row-crop seed drills, and others.

"Metallurgy and Mineral Raw Materials" Complex		
	Produced in 1987	1987 as percentage of 1986
Steel, thousand tonnes	3,044	105.0
Rolled ferrous metals (strip), thousand tonnes	3,225	96.3
Rolled strip products, thousand tonnes	934	98.8

"Metallurgy and Mineral Raw Materials" Complex

	Produced in 1987	1987 as percentage of 1986
Pipes from ferrous metals, thousand tonnes	285	100.4
Blast-furnace coke, thousand tonnes	1,134	113.2
Pig iron for processing, metallurgical grade, thousand tonnes	1,652	103.4
Refractories—new ranges, tonnes	1,305	171.9
Unmodified products from nonmetalliferous raw materials, tonnes	18,932	180.0

Production was mastered of telfer cables, gallium phosphide, hard alloy blanks, finely dispersed kaolin, and new steel grades, sizes, and sections, as well as strips from alpaca alloy for the telephone industry. During the year the complex produced a number of new products for the national economy: cast blooms, wire rod from high-carbon steel, powdered metal products for general engineering use, and improved types of ferroalloys, rolled sectional and sheet products, and castings.

The "Metallurgy" Economic Trust failed to fulfill the state orders and plans for rolled ferrous metals, rolled strip products, and pig iron for processing, while the "Metal Products" Economic Trust did not fulfill the state orders and plans for products from rolled ferrous metals and steel pipes.

"Heavy Machine Building" Complex

	Produced in 1987	1987 as percentage of 1986
Rolling mill rolls, tonnes	3,050	183.1
Crushers, units	166	150.9
Steam boilers, units	881	104.4
Valves for hot blasting, units	44	163.0

During the year the self-managing economic organizations in the complex mastered and produced a number of new and improved products, such as technological-transport equipment for nuclear power plants, drive [zadvizhashti] stations for open-cast coal mining, blending complexes, rolling equipment, and strip rolls for the needs of metallurgy, and machinery and equipment for construction and building materials. During the year, the proportion of new and improved products rose substantially.

There was a rise in production of modern complete electrical drives fitted with high-torque electric motors, 42,900 units; of induction electric motors 1,613,000 units; and of generators and starters for VAZ trucks, 226,000 units. The profitability and fund yield indices improved, and the prime cost of production fell by 2.3 percent.

"Industry for Man" Complex

	Produced in 1987	1987 as percentage of 1986
Domestic washing machines, units	171,728	107.8
Furniture, thousand leva	553,369	101.5
Cotton and cotton-type fabrics, thousand meters	351,948	101.0
Woolen and wool-type fabrics, thousand meters	40,803	97.1
Silk and silk-type fabrics, thousand meters	37,758	102.1
Knitted outerwear, thousand units	57,638	102.7
Knitted underwear, thousand units	77,012	99.8
Tailored goods, thousand leva	814,763	104.6
Children's tailored goods	18,723	109.1
Footwear (not including rubber footwear), thousand pairs	30,185	103.5
Ceramic tiles, million units	347	111.9

The product structure of the complex was diversified with new types of manufacture: plate-type room heaters, coffee mills, hair driers, vacuum cleaners, household cookware with bimetallic bottoms, furnishing fabrics from special yarns, floor coverings with improved sound insulating properties, transfer-printed silk fabrics, and new collections of sports and fashion wear. There were improvements in the production of fashion furniture, bone china, Teflon-coated cookware, combed cotton yarns, and highly treated cotton fabrics.

The prime cost of products in the complex fell by 0.6 percent, and profitability and the fund yield index.

Certain economic trusts in the complex failed to fulfill the state orders and to provide goods in demand by the population. The "Valentina" Economic Trust did not fulfill the state order for knitted outerwear and underwear, nor did the "Prommash" Economic Trust fulfill the order for children's tailored clothing.

"Power Industry" Complex [table heading]		
	Produced in 1987	1987 as percentage of 1986
Electric power, million kilowatt-hours	43,464	103.9
Thermal power, thousand gigacalories	30,455	103.0
Coal, washed production, thousand tonnes	36,780	104.5
Brown coal briquettes, thousand tonnes	1,465	100.3

In 1987 electric and thermal power supplies to the national economy and to the population stabilized.

During the year 268 million kilowatt-hours of electric power were produced over and above the state order. More thermal power was produced and more coal was mined. The prime cost of production fell and profitability rose.

"Forest Industry" Complex [subhead]

The enterprises of the complex fulfilled their plans for the main volume and quality value indices. Compared with 1986, the production of softwood materials rose by 10.8 percent, and of paper by 1.5 percent. However, the state order and the tasks for certain types of products were not fulfilled: thin packaging paper and paper for corrugated board, by the enterprises of the "Pulp and Paper" Economic Trust; and softwood beams for the commodity fund, by the "Stara Planina" Economic Trust.

"Agro-Industrial" Complex [subhead]

In 1987 the exceptionally unfavorable weather conditions led to considerable difficulties in the development of agriculture. Notwithstanding this, the mean annual production of agricultural goods in 1986 and 1987 is 1.2 percent higher than the mean annual production in the 1981-85 period. At the same time, 1987 agricultural production was 3.8 percent lower than in 1986, and was 7.4 percent lower in respect of crop growing alone. Less bread grain, corn, sugar beet, potatoes, soya beans, and fruit were produced.

A number of agricultural brigades and agro-industrial complexes failed to fulfill their own plans for sowing certain crops and failed to observe technological discipline in crop cultivation and harvesting of the agricultural products.

Compared with 1986, in the autumn of 1987 1,136,000 more decares were sown with wheat and barley.

Approximately 85,000 decares of new irrigated plots were constructed and 174,000 decares of existing irrigated plots were reconstructed.

Animal farm production from all types of farms attained a value of over 4.5 billion leva, almost equal to the 1986 level. Milk production rose by 0.3 percent as compared with 1986, but meat production fell by 1.6 percent, and egg production by 0.3 percent.

Despite the measures adopted, there was a fall in the numbers of agricultural animals, not including poultry, as compared with 1986: Cattle numbers fell by 1.8 percent, pigs by 0.4 percent, and sheep by 7.1 percent. The numbers of poultry increased by 4.3 percent.

The purchases from all categories of farms were: 576,400 tonnes of cattle and poultry meat (weight at slaughter); 2,223,300 tonnes of milk (3.6 percent fat content); and 1,690 million eggs. The state orders for the sale of cattle and poultry (slaughter weight) were fulfilled in Varna, Lovech, Mikhaylovgrad, Plovdiv, and Sofia Oblasts, while the orders for milk were fulfilled in Lovech, Plovdiv, and Khaskovo Oblasts.

Private and ancillary farms sold more cattle and poultry for meat as compared with 1986, but less milk, eggs, vegetables, and fruit.

In the agricultural organizations the average yield per cow maintained on feed [furazhna krava] rose by 32 liters, while the egg production of laying hens remained at the 1986 level.

The enterprises of the food and tobacco industry in the complex produced 0.6 percent more goods than in 1986. Net production rose by 3.6 percent, aggregate profit rose by 1.0 percent, and social labor productivity increased by 2.9 percent.

The output of the main products was as follows:

	Produced in 1987	1987 as percentage of 1986
Meat, thousand tonnes	538	99.9
Meat products, thousand tonnes	129	100.4
Dairy butter, thousand tonnes	26	106.8
Cheese, thousand tonnes	101	94.2
Yellow cheese, thousand tonnes	33	105.3
Edible vegetable oils (not including soya), thousand tonnes	162	106.3
Sugar, thousand tonnes	388	115.9

	Produced in 1987	1987 as percentage of 1986
Sugar products, thousand tonnes	116	102.5
Prepared and semiprepared foods, thousand tonnes	71	91.8
Canned and bottled vegetables, thousand tonnes	294	106.0
Soft drinks, million liters	587	104.4
Mixed feed, thousand tonnes	3,920	100.2

The production of the food and tobacco industry was diversified during the year with new types of meat products and prepared foods, new ranges of frozen dairy creams and ice creams, cereal-based diet foods, "Bravo" flour mixes, enriched, diet and rye-wheat breads, fruit- and herb-based soft drinks, new types of melted cheeses (some produced under license), dough-based frozen foods, potato products, and butter-based delicatessen sauces.

The self-managing agricultural organizations failed to produce 103,000 tonnes of canned and bottled vegetables and 68,000 tonnes of canned and bottled fruit of the amounts specified in their plan. The main producers of these products are the "Bulgarplod" Economic Trust and the agro-industrial complexes. The "Bulgarian Sugar" Economic Trust did not fulfill its tasks relating to a number of products: sugar, molasses, and sugar products.

"Construction and Building Industry" Complex [subhead]

In 1987 the building and installation organizations carried out a substantial concentration of their resources toward the structure-determining projects, because of which the value of the basic funds brought into operation from the projects due to be commissioned was a record for the country, namely 6.8 billion leva, or 60 percent higher than in 1986. The tendency for the amount of uncompleted construction to rise was halted. A number of major production capacities entered service, such as the 1,000-megawatt No 5 Unit at the Kozloduy Nuclear Power Plant, the G. Damyanov Copper Mining Combine in Srednogie, the reconstruction, modernization, and extension of the ammonia production plant in Dimitrovgrad, the 750-kilovolt USSR-Romania-Bulgaria electric power line, the "Bobovdol" and "Troyanovo-South" mines, the "Veslets" pig-iron casting combine in Vratsa, the vehicle tire plant in Sofia, and others.

The building organizations completed as main contractors over 45,500 housing units.

However, the planned capacities for certain important projects were not brought into service. These included the Combined Memory Devices Plants in Plovdiv, the

"Chervena Zvezda" Machine Building Plant in Debelelets, the "Beli Sazhdi" production shop in Stara Zagora, the "St. Buchvarov" Domestic Fittings Plant in Sevlievo, and others.

The production of the main building materials by the enterprises in the complex was as follows:

	Produced in 1987	1987 as percentage of 1986
Cement, thousand tonnes	5,589	99.1
Bricks, million units	1,077	93.7
Tiles and ridge tiles, million units	57	114.5
Prefabricated reinforced concrete, thousand cubic meters	2,513	98.9
Extruded panels, thousand cubic meters	561	119.9

The annual tasks related to the production of cement, bricks, tiles and ridge tiles, and prefabricated reinforced concrete were not fulfilled.

"Transportation" Complex [subhead]

The enterprises and economic organizations of the "Transportation" Complex made a profit on transporting freight and passengers, and produced goods worth over 3.9 billion leva, or 0.8 percent more than in 1986. Net production increased 1.9 percent and total profit 5.4 percent. Social productivity of labor increased 2.8 percent, and the profitability of production 1.8 percent. Some 435.1 million tonnes of freight were carried, of which railroad transport carried 82.5 million tonnes, vehicle transport 322.6 million tonnes, and water transport 30 million tonnes. The total volume of the freight carried by all means of transport is 2.4 percent lower than in 1986.

Some 53.7 million passengers were carried, 2.6 percent more than in 1986. All public transportation economic trusts overfulfilled their tasks related to the transport of passengers.

In 1987 trolley bus lines were commissioned in Gabrovo, Pernik, and Tolbukhin. Some 410 additional trains were used in railroad transport during peak hours, while the rolling stock of 3,390 trains was increased. Some 780,000 additional runs were carried out by the vehicle transport.

The results still do not correspond to the criteria and requirements to increase the quality of transport services, especially in inner-city passenger transport. The conditions for preventing accidents have not been created. There are still untapped reserves for making better use of the production capacities.

"Communications" Complex [subhead]

Development and improvement of the material-technical base of communications continued. The postal network was expanded by 21 post offices, 13 of which are in the villages. Some 150,000 new telephones were installed, of which 117,000 were for domestic subscribers. Some 241 new telex installations were opened. In addition, 6 television transmitters, 57 radio relay stations, and 46 television relay stations came into service.

A new international automatic international telephone exchange opened. It allows the subscribers of Sofia and 70 additional cities to dial directly to 42 countries and facilitates the international transit traffic. A new international switchboard, which allows 240 simultaneous phone calls, came into service.

The revenue obtained from communications services was 6.5 percent higher than in 1986. The net production of the complex increased 6.4 percent; total profit 7.1 percent, and the social productivity of labor 2.9 percent.

IV. [Roman Four] Social Development and Increasing the People's Standard of Living

By the end of 1987 the population of the People's Republic of Bulgaria reached 8,973,600 people. The natural growth during the year was 0.9 per thousand.

Some 4,083,600 workers and employees were engaged in the national economy, which is 0.2 percent more than in 1986.

The average monthly wages of the workers and employees engaged in national economy reached 233 leva, which is 3.5 percent more than in 1986.

Some 61,603 housing units were constructed and commissioned, which is 13.6 percent more than in 1986.

The educational level of the population continued to rise. Some 16,000 people completed their higher education in 1987, 5,400 of whom specialized in the engineering-technical area.

Some 1,277,000 students enrolled in the uniform polytechnical schools in the 1987-88 academic year, 127,600 of whom enrolled in first grade.

Some 341 new school classrooms and 3,520 new places in full-day kindergartens were commissioned. The material-technical base of the higher and semi-higher educational institutions expanded.

By the end of 1987 the health care system provided 88,000 hospital beds and 22,000 beds in sanatoriums and health care resorts. The number of places in social care institutions increased. The work of patronage and home services for old people expanded.

New resort institutions with modern conditions of rest and leisure were completed and put into service. The system of domestic tourism expanded and the number of beds increased.

Public consumption funds continued to grow. Total volume reached 8,302 million leva.

More goods for the domestic market were provided in 1987. Local production for the commodity fund amounted to 14.7 billion leva, 4.5 percent more than in 1986.

The retail trade sector, including the public catering enterprises (without concentrated alcoholic beverages), attained a turnover of 16.3 billion leva. The largest increase was marked by Sofia City, 7.9 percent; Varna Oblast, 6.7 percent; and Burgas Oblast, 5.8 percent.

As a result of the increased sales in the retail trade network and development of self-sufficiency in agrarian products, the rate of consumption the population continued to increase. Nevertheless, the unfavorable results achieved in agriculture prevented the implementation of the plan.

Average per capita consumption of basic foodstuffs and nonfoodstuffs in 1987 was:

meat, including meat products	73.3 kilograms
Eggs	263 units
Fish and fish products	8.3 kilograms
Milk and milk products, 3.5% fat, (excluding milk fats)	225.0 liters
Vegetable fats	15.4 kilograms
Sugar	35.7 kilograms
Fruit and vegetables	225.0 kilograms
Cotton Materials	27.0 meters
Wool Materials	4.8 meters
Knitwear Products	13 units
Footwear	2.5 pairs

During 1987 the population purchased significantly larger quantities of furniture, television sets, automatic washing machines, and other modern consumer goods.

Despite the increase in the commodity funds and in retail purchases there was a shortage of certain goods on the domestic market. Certain economic organizations

did not fulfill their contracted obligations to provide goods for the population at a steady rate. As a result, in many settlements, products in demand, such as certain kinds of meat, meat products, fruit, vegetables, knit underwear, shoes, and television sets, were not supplied on time. Sales of vegetable fats, potatoes, beans, garlic, and ground paprika were interrupted. The commodity producers and the trade organizations allowed weaknesses to occur in supplying consumers' needs for certain industrial products.

In 1987 the range of consumer services reached 875,000,000 leva, 7.6 percent more than in 1986. Consumer services to the population increased as follows:

	1987 as percentage of 1986
Metal-cutting services	112.6
Construction-repair services	112.4
Maintenance and repair of motor vehicles	109.6
Maintenance and repair of elevators	108.0
Maintenance and repair of consumer equipment	107.3
Optical services	106.8
Dry-cleaning services	105.2
Tailoring services	105.0
Laundry services	103.7
Maintenance and repair of radio and television equipment	102.2

Furniture and wood-processing services
Textile and knitwear services
Shoe and leather-haberdashery services

1987 as percentage of 1986
101.8
101.2
99.6

In 1987 the population received more consumer services in all areas than in 1986. The largest increase took place in Varna Oblast, 13.5 percent; Sofia City, 9.0 percent; and Burgas Oblast, 8.5 percent. In many regions and municipalities the population received unsatisfactory consumer goods in everything related to maintenance and repair of consumer equipment and radio and television equipment, furniture and wood-processing services, dry-cleaning and laundry service, and so forth.

The results, which were achieved during the second year of the Ninth 5-Year Plan period represent a significant step in the country's scientific-technical and socioeconomic development. Solid foundations were laid for further implementing a crucial change in all areas of society.

The labor collectives successfully began to implement the tasks of the third year of the Ninth 5-Year Plan period.

26 January, 1988. The Central Statistics Administration.

Further on Meeting of National Front

Deputy Chairman Replaced

LD031356 Prague Domestic Service in Czech
1100 GMT 3 Feb 88

[Excerpts] The Central Committees of the National Front of Czechoslovakia, the Czech and Slovak Socialist Republics, met today in Prague at a joint session to evaluate the tasks of the National Front in further deepening socialist democracy and in accelerating the economic and social development of society.

The session was opened by Gustav Husak, member of the CPCZ Central Committee Presidium, president of the Republic, and chairman of the National Front of Czechoslovakia Central Committee.

Taking part are Milos Jakes, general secretary of the CPCZ Central Committee; Premier Lubomir Strougal, and other members of the party Central Committee Presidium: Ladislav Adamec, Peter Colotka, Alois Indra, Antonin Kapek, Josef Kempny, and Jozef Lenart; candidate members of the Central Committee Presidium: Vladimir Herman, Ignac Janak, and Frantisek Pitra; Central Committee Secretary Jindrich Polendnik; members of the CPCZ Central Committee Secretariat Zdenek Horeni, Marie Kabrhelova, and Miroslav Zvadi; leading representatives of other political parties, leading officials of social organizations of the national front, and other figures. [passage omitted]

In separate voting, the members of the Central Committees approved cadre changes in their organs, as recommended by political parties, social and interest organizations.

Comrade Josef Kempny praised the more than 40 years of selfless work carried out in the National Front by Miloslav Vacik, who was released from the office of deputy chairman of the CSSR National Front Central Committee. At the same time he congratulated Rudolf Dusek on his election to this office.

Comrade Jindrich Polendnik spoke about the tasks of the National Front in deepening socialist democracy, accelerating the economic and social development of society. He emphasized the continually greater interest of the people in the course of reconstruction that has been embarked on, and he stressed that in its realization our point of departure is Czechoslovak conditions and that the experiences of Soviet Communists are a great inspiration for us. Commenting on the deepening of socialist democracy, he said: The important thing is that all the extensive existing possibilities of our system, which emerge from the popular character of our socialist state, the system of the National Front and National Committees, are made use of fully without limitation and administrative barriers. At the same time, he said

that by taking part in an honorable and open dialogue we are not opening the door to any antisocialist forces, nor are we creating an arena for political opposition.

Comrade Jindrich Polendnik went on to give a broad characterization of the tasks of the National Front in the restructuring of society, and addressed international events.

Jakes Addresses Session

LD032217 Prague Domestic Service in Czech
1730 GMT 3 Feb 88

[Speech by Milos Jakes, CPCZ General secretary and National Front chairman, to the 3 February joint session of the Central Committees of the National Fronts of the CSSR, the Czech SR, and the Slovak SR in Prague—recorded]

[Text] Esteemed Comrades, I would like, above all, to thank you sincerely for the trust that you have showed me by electing me to the post of chairman of the Central Committee of the National Front of the Czechoslovak SR. I respect this very much. I consider it, above all, an expression of trust in the policy of the CPCZ, an expression of support for the program set out by the 17th Congress and further worked out by last year's December session of the Central Committee. Its conclusion, as can also be seen from today's addresses of social organizations and political parties, met with the full understanding and support of the overwhelming majority of our citizens, who are now expecting practical action.

The strategic guideline of our policy, which stems from our specific conditions and needs, is to speed up socio-economic development in our country by means of restructuring the economic mechanism, deepening socialist democracy in the interest of an increasingly better life for our people, further flowering of socialist Czechoslovakia, and increasing its contribution towards strengthening socialism and peace in the world. I assure you that for the fulfillment of these aims I will expend all my strength and abilities.

I second the high appreciation of the long years of dedicated work that Comrade Gustav Husak performed as head of the Central Committee of the National Front. It was justly praised today in a resolution of our meeting. I would like to thank you for the support to the policy of the CPCZ and to praise the full unity that was demonstrated in the addresses of the individual representatives of the organizations of the National Front, as well as in the unanimity in approving the proposed resolution. The incentives and suggestions mentioned in the discussion will be assessed.

Where shall we focus our attention? A clear answer to this is given in a report delivered by Comrade Polendnik on the task of the National Front in deepening socialist democracy, speeding up the social and economic development of our society, as well as proposals to activate the

National Front and the organizations united in it, and to increase their participation in the creation, implementation, and verification of policies. The task now is to implement the resolutions in the spirit of our unity and common interest, purposefully and in close cooperation. The National Front, headed by the Communist Party, which was born in the national liberation struggle of our people has become—as is testified to by our deliberations today—a firm basis for our political system and a well-trying platform for the development of socialist democracy and active participation of people in the management of social development.

There has been unity of progressive democratic and patriotic forces in the revived National Front for 40 years now. It was tremendously significant for strengthening the victory of the working people over the reaction in February 1948. The National Front played a significant role in the entire process of building socialism in our country, strengthening the unity of our people, our nations, and nationalities.

It has demonstrated its viability in overcoming the consequences of the crisis period in 1968-69; and even today it has an exceptionally important place in uniting the efforts of citizens and speeding up our progress. The tasks that we discussed at today's session of the Central Committees of the National Front are exceptionally important. As was correctly stressed by all those who spoke in the discussion, we must approach their fulfillment in a new way; we must free ourselves from old views, forms, and methods of work and more resolutely overcome stereotypes. What is involved is for the entire National Front, each organization, and all the political parties to fully and efficiently use the broad possibilities that are provided by our socialist system for the fulfillment of their social roles; to do this they should develop the active participation of their members in the fulfillment of tasks and in tackling problems at workplaces, in towns and villages, districts, regions, as well as within the framework of the whole country.

I would like to stress the fact that the strategic line of speeding up socioeconomic development, restructuring, and democratization can be implemented only by the combined forces of the people. We count on all those who want to contribute their share honestly to further improving socialism in our country. We consider the involvement and active participation of the broadest strata of the people in the management of the state, their social responsibility—stemming from the realization that they are the masters in their own country—to be a great advantage of socialism and a basic prerequisite for a healthy, dynamic development of our society.

This requirement is particularly pressing today, when we are facing qualitatively new, truly revolutionary tasks. The most important thing, where stress must be laid in the interest of their fulfillment, is deepening socialist democracy. It requires increasing activity by every organization while preventing higher organs' from excessive

determination of the contents of their activities. An important condition for this, as confirmed by the experiences of the USSR, is openness of policy and broad and public awareness of citizens and their participation in controlling decisive spheres of the life and work of our society, but also responsibility, discipline, and order.

It is in this respect that the National Front, uniting the overwhelming majority of citizens, has an irreplaceable role. It is necessary, as was mentioned in the main address, to increase its role in the political and public life, in the creation and implementation of policies, to organize public discussions in its areas, and to debate important measures before decisions by state organs.

An important course for National Front organizations to pursue in this task is deepening the internal democracy of their activity and promoting people's initiative and creative activity. It is in this spirit that today's deliberations were conducted. Necessary conditions are also being created for this by increasing the role of the national committees as autonomous organs, and strengthening their jurisdiction and responsibility. This aim is also promoted by the preparation of proposals for new standard operating procedures and principles of the law on the position, rights, and duties of deputies of legislative corps.

At the present time we are taking resolute steps toward a basic restructuring of the economic mechanism. There are bills on state enterprise to be discussed in the Federal Assembly and also bills on agricultural and other cooperatives. They constitute a legal basis for increasing the jurisdiction and responsibility of enterprises and also for broad participation of the people in their management by means of autonomous organs and elections of leading employees. The fact that these steps are correct was fully confirmed by the progress and results of the public discussion on the bills in which organizations of the National Front actively participated.

At the same time intensive work is in progress on the preparation of other bills and legal norms connected with the restructuring of the economic mechanism. This involves such significant documents as the labor code, economic code, and others. Their preparation represents a very responsible task. We must make sure that the new laws and regulations actively support restructuring, create good conditions for its implementation, and strengthen barriers against bureaucracy and red tape. Organizational restructuring of the production technological base is also being prepared while two-tier management is introduced. The meaning of all these changes is the creation of conditions for a transition of enterprises toward complete financial autonomy.

Work is also in progress on organizing the center so that in accordance with the restructuring of the economic mechanism the number of ministries and other central

organs may be limited and the number of their employees may be reduced. The fact is that the central leadership must be made more efficient; the division of labor must be clearly delimited; and the competence of the management organs must be enhanced. It has to be seen quite clearly and seriously that it will be a complicated and, in many respects, conflicting process. A number of working people will have to change jobs. Some will have to retrain. All conditions and social guarantees will be created for this. The federal government and the national governments were given the task of dealing responsibly with this sensitive issue. No one needs to worry that his abilities and experience will not be used appropriately.

The principles of the restructuring of the economic mechanism are already being experimentally verified. This year this will concern as much as 30 percent of staff in industrial production. The experiment is spreading to the construction industry, trade organizations, and transportation. Measures of the federal government and national governments that aim to improve basically the quality of services and to extend their sphere will be implemented. We will now start with the verification of the work of self-management bodies and working collectives, including the election of directors and other senior members of staff.

To prepare well for the work in conditions of economic accountability [khozraschet] and self-financing naturally demands an immediate start with the effective introduction of economic accountability within enterprises, with the improvement of the standardization of rewards, with the consistent application—as has been said here too—of the socialist principle of reward according to specific results, including the use of the brigade form of work and reward, and with the firm overcoming of all displays of egalitarianism.

In all spheres of the national economy, the organizations of the National Front, in particular the Revolutionary Trade Union Movement, the Socialist Youth Union, the Czechoslovak Scientific-Technical Society, and others have great possibilities and scope to take part in the preparation of restructuring, to explain the essence of the prepared changes, and to contribute to the creation of an atmosphere of high standards.

The restructuring of the economic mechanism and all spheres of social life is not an end in itself. Its main purpose is to create conditions for an improved standard of living for the people and for the consolidation of socialism. We were already fulfilling this task in the first 2 years of the Eighth 5-year Plan. In that period 160,000 apartments were constructed. The average monthly earnings last year increased by more than 2 percent in accordance with the plan. The lowest pensions were increased, and measures were adopted to help newly-wed couples and families with children. However, we must

realize that all this was carried out mainly through using reserves because the national revenue was lower to 15 billion [currency not specified] less than planned for the last 2 years.

On 1 October 1988, a new measure will come into force that will generally improve the level of pension schemes. This will concern both pensions granted in the past and pensions newly granted. The prepared law will take more account of the working merits in relation to the level of pension. We continue to pursue a strong social policy. It is, however, not enough to want. It is also essential to have the necessary funds for it. It has always been the case that only as many funds can be divided as are created. To a considerable extent this depends on our ability to fulfill the tasks of the Eighth 5-Year Plan.

A few days ago the statistical report on the development of the national economy and the implementation of last year's state plan was published. It shows that the results achieved to date are far from satisfactory. In our view, this has been caused by the fact that the process of intensification is progressing slowly, and that the production and in particular material costs are not sufficiently reduced. The impact of scientific-technical development is low; innovation of production is too slow. It is a key demand today to change in this direction. There are serious problems in the use of basic reserves, including that of working time at places. These shortcomings must be overcome more resolutely, and it is necessary to ensure that production is in accordance with the demands of consumers. This is a necessary condition for satisfying the needs of the domestic market where a number of shortcomings persists and also for enhancing the efficiency of exports.

We must also aim to deal with serious shortcomings in investment project constructions. This has already been discussed. It is necessary in particular to halt the exceeding of construction deadlines and the nonobservance of design parameters, which cause serious problems in supply-consumer relations.

The issues of reconstruction and modernization of the production base must come to the fore. We must be more resolute in tackling the issues of the environment and of serious ecological problems. In the same way disorder, lack of discipline, and the violation of socialist law and morality ought not to be allowed anywhere. It is necessary to act more resolutely against all negative phenomena in society and draw strict consequences from them as people justly demand.

We must approach more actively socialist economic integration and international labor division in particular within the CEMA framework, establish direct relations between enterprises and organizations and found joint enterprises. As talks with Comrade Mikhail Gorbachev,

general secretary of the CPSU Central Committee, have confirmed, there are wide possibilities and good prospects for the development of our mutual cooperation with the USSR.

A number of problems and shortcomings that have been noted were caused by direct management, by many managers in the economic sphere, but this is not the only area in which old attitudes persist—the wait-and-see approach, lack of zeal, and sometimes also a lack of ability to start following new paths and sometimes take a healthy risk. Restructuring will thus necessarily be linked also with cadre changes. As the report stressed, we have to take care that more nonparty members, or members of other political parties, young people, and women are placed in senior positions.

Comrades, the National Front under our party's leadership was always able to find the right direction for its activity at the crossroads of our development. As today's session shows too, this is true also about the current stage of development, when we are starting profound revolutionary changes in all spheres of the life and work of our society. The main thing that now matters is to change everywhere the intentions and good resolutions into practical deeds. This will demand great perseverance and tenacity not to give in to obstacles and difficulties, go among our citizens, explain to them the policy of the party and the national front, and win them for active participation in its implementation. In this we have to see the main prerequisite for attaining the set tasks.

Let me stress in conclusion that the main condition, as Comrade Svestka and other comrades have said, for achieving our aims is to strengthen peace in the world. We appreciate the results of the talks of Mikhail Gorbachev, general secretary of the CPSU Central Committee, with U.S. President Reagan on the elimination of intermediate- and shorter-range missiles, which we see as the beginning of a positive change toward removing the threat of nuclear catastrophe. The peace policy of the USSR and the countries of the Warsaw Pact in which we take an active part is a policy that expresses the desires of our peoples. We thus consider its active support one of the main tasks of all the National Front.

I am convinced that in this year of important anniversaries when we will commemorate the 70th anniversary of the foundation of the independent Czechoslovak state, the 50th anniversary of Munich, the 20th anniversary of the crisis-ridden events that taught us a lesson, and particularly in the year of the 40th anniversary of Victorious February, we will note the attained results, we will make use of rich experience, we will develop working initiative for the implementation of the tasks of the 1988 plan, and in resolute unity with the USSR and the other socialist countries we will continue successfully on the path of progress and improvement of socialism in our country. [applause]

Further Reportage on Visit of FRG's Kohl

Kohl's Prague Dinner Speech

AU031513 Prague RUDE PRAVO in Czech
27 Jan 88 p 7

["Speech" by FRG Federal Chancellor Helmut Kohl at dinner given in his honor by CSSR Premier Lubomir Strougal in Prague on 26 January]

[Text] It is a great pleasure for me—also on behalf of our delegation—to be able to cordially thank you for your friendly words of welcome, for the hospitality you have extended to us, and the good talks that we began today.

My visit is the first official visit to the CSSR by an FRG federal chancellor in 15 years. I want this visit to become a milestone on the path to good neighborliness,

—being aware of the more than 1,000-year-old closely interrelated history of our nations, which has been marked by ups and downs,

—being responsible for peace and understanding, which applies to our states located at the intersection point of allied groupings, as well as political and economic systems, and

—with the firm will to contribute to building a Europe of tomorrow, which would guarantee our nations a peaceful future, ensure their human rights, enhance their prosperity, and preserve their natural foundations of life.

I consider it symbolic that my visit at the beginning of our chairmanship of the European Community is to your country, which now chairs CEMA.

For me this is a first visit to your country. Since I was a student in Heidelberg, I have tried to track down the right and wrong paths in the books on the history of the European nations, in order to

—learn from the dark pages filled with terrible events, war, destruction, exile, and unnatural separation, and

—a guide for the future in finding the luminous pages, characterized by life and existence in tranquility, by joint efforts, and the great cultural upsurge of nations. There was the exemplary success with our western neighbor, with France

—in Reims Cathedral 25 years ago Konrad Adenauer and Charles de Gaulle extended hands to one another in reconciliation;

—Francois Mitterrand and I affirmed this over the graves in Verdun.

All this explains the strange feelings I have as a guest in Prague today. By its architectural monuments and its spiritual tradition, this ancient capital on the River

Vltava personifies as no other city the cultural heritage of all Europe. Since the founding of Charles University 640 years ago, its features took shape on the basis of a fruitful exchange between various nationalities, languages, cultures, and religions. Slav, German, and, last but not least, Jewish traditions lived in a happy symbiosis for centuries. The immortal works by Petr Parler, Jan Hus, Jan Amos Komensky, Johann Balthasar Neumann, Bedrich Smetana, Adalbert Stifter, Antonin Dvorak, Franz Kafka, Josef and Karel Capek attest to the cultural wealth and genuine European multifacetedness of this city.

Many Germans found asylum in this city at the time when the fury of autocracy and racial madness began in our country, when dark shadows spread over the beneficial coexistence of Germans, Czechs, and Slovaks—up to the day when the Czechoslovak Republic became one of the first victims of the Nazi policy of expansionism. World War II, which it unleashed, brought immense suffering to the nations of Europe. In your country Lidice and Terezin have become memorials that represent a warning of cruelty and inhumanity.

Many events have left painful scars in the memory of my German compatriots who had to leave their homeland after the end of the war, frequently under difficult circumstances. We do not wish to suppress the bitter experiences of our history, but we must learn from them for our children and the coming generations to be able to live in a peaceful world. However, the treaty, which 15 years ago provided the foundation for the future good-neighborly relations, bears the adjectival noun "Prague." During his visit to our country 10 years ago, President Husak summarized it as follows: "Today we are not interested in recriminations for the past. The most important thing at present is making progress..." I identify with these words! Really: Today we can submit a good balance sheet of the past 15 years. Despite the not-always uncomplicated conditions, our relations have been palpably developing. Our nations have drawn closer to one another. This stimulates us, precisely 15 years after the signing of the Prague treaty, to strive for further progress in mutual relations.

The highest level should now regularly join in the pleasingly intensive dialogue conducted by our ministers. Mr Premier, I repeat from here with pleasure my invitation to you to visit our country soon.

The established parliamentary relations should be smoothly developed, without excluding anyone from them. The—so far small—number of twinned cities should be quickly increased so that the people of our two countries could permanently participate in the process of understanding. The magnitude of this interest is attested to by the one-half million citizens who visited the CSSR in 1987, and the almost 200,000 your citizens who visited our country. Our nations want the borders to be made more permeable! We should open additional border crossing points and expedite the procedures. The

population of the border areas, in particular, would benefit from this. The Czechoslovak leadership knows of my commitment on the matter of youth exchanges. The up-and-coming generation should, and must, carry on the process of coming to understand one another that we have started. This also involves that at an age when the personality of young people is shaped, they should learn about their neighbor from their own experience.

We are also strengthening and expanding the bridge of cultural exchange! We are pleased by the great interest shown by your citizens in the second Week of German Culture that was held in four of your cities last October. However, on that occasion we were able to present only a fraction of our contemporary cultural life. Our citizens are now waiting for a step that would correspond to the contribution of our nations to European culture: for the exchange of cultural institutions.

Economic relations are the mainstay of our cooperation. The industrial tradition of our countries that was being molded for centuries and the ages-old close ties between our enterprises create good conditions for further progress. We are willing to cooperate in implementing new forms, with cooperation between enterprises beginning and joint ventures ending.

We follow with interest and sympathy your country's latest steps aimed at modernization, reforms, and a new economic structure. We know that the new approaches to economic policy are precisely to your merit, Mr Premier. Only a few months ago we signed an agreement on cooperation on environmental protection. It was high time! In the interest of the people, especially those in the border areas, we expect now that this agreement will lead to systematically effective border-crossing measures on the protection of environment. We realize that only with joint efforts can we preserve the natural foundations of the life of our nations for today and tomorrow.

Our important task in the immediate future will be to improve, together with the GDR, the alarming state of the Elbe. After many, many years of negotiations, we signed an agreement on river navigation this afternoon. During our talks today we agreed to also adjust, as soon as possible and in the form of a treaty, other spheres of our cooperation—here I could mention scientific-technical cooperation, the exchange of data on nuclear facilities, and road transportation.

These are austere terms for future-oriented development: Thus, in a few years the Main-Danube canal will connect Slovak territory with ports in the North Sea. In the interests of our citizens, I hope that your country, too, will soon become linked with the European highway network.

The borders between our states still divide many families. We welcome the fact that the Czechoslovak Government affirmed today that (in harmony with our

exchange of letters on humanitarian issues) it will continue to deal favorably with applications for emigration permits submitted by persons of German nationality. Apart from that, the uniting of families to which the exchange of letters does not apply should also be accelerated, in the spirit of Helsinki. The pragmatic solution of humanitarian issues is the cornerstone of good-neighborly relations.

Our resolve to take a striking step forward in our mutual relations this year (one that would also be felt by the people) is, on the whole, positively affected by the dynamic development of the East-West relationship. In none of the previous periods of postwar history have the United States and the Soviet Union conducted such an intensive dialogue on the highest level, and their willingness to resolve the issues of security policy in the spirit of cooperation has never been so emphatically proclaimed as today. The Treaty on the Elimination of Intermediate- and Shorter-Range Missiles, signed at the summit meeting in Washington last December, is obvious proof of this.

It supports the principle formulated by General Secretary Gorbachev here in Prague, namely, that he who has more, should also disarm more. It also subordinates the elimination of weapons to the strictest on-the-spot inspection; and both our countries will be making a considerable contribution to this. That is why this year the disarmament process must take a resolute step forward, in keeping with these criteria:

—We emphatically support the effort of the U.S. and the USSR to negotiate successfully, in the first half of this year, a treaty on the 50-percent reduction of their strategic offensive weapons, and to cement it at the next summit meeting.

—We welcome the reopening of negotiations between the great powers, aimed at gradually pushing through an extensive [rozsahle] halt to nuclear tests.

—Within the framework of our alliance, we will work out a general concept which (from the viewpoint of arms control) would also cover American and Soviet nuclear missiles with a range of up to 500 km.

—At the same time we repeat our appeal to the Soviet Union to unilaterally cut down, starting now, its massive supremacy in this sphere, thus conceding (not only verbally, but also in practice) to the nations of central Europe in particular their right to have equal security.

—At the Geneva Conference on Disarmament we are promoting a worldwide ban on chemical weapons. Although the issues of verification that are still open are difficult, I am nevertheless firmly convinced that they can be solved, if all participants have the goodwill to do so. Otherwise all measures limited to zones, and also other new concepts, would not move the negotiations forward the least bit.

In the Vienna talks (which have just been reopened) we are pursuing with the utmost energy the adoption in the near future of a mandate for negotiations on conventional stability throughout Europe, from the Atlantic to the Urals, and to open negotiations on this already this year—negotiations that would be of vital significance for the future development of East-West relations.

In view of the geographic-strategic position of our countries in the heart of Europe, we realize each and every day the extent to which the security of our continent depends on conventional stability.

At the same time European history (above all in the first half of our century) shows us that a mere equilibrium of military forces is not sufficient for reliably averting wars. From this, too, we must learn!

That is why the coming negotiations should not merely deal with reducing conventional armaments and armed forces on both sides by an equal amount. The decisive thing is to remove the existing imbalance and to create a stable, secure level of armed forces, but also to orient the armament, stationing, and deployment doctrine of the armed forces exclusively toward defense, depriving them of any ability to undertake a sudden or in-depth attack. We agree that our main task in the coming period will be to permanently anchor the present favorable tendencies in East-West relations. Two prerequisites are needed for this: responsibility for the general international atmosphere should not rest solely on the shoulders of the great powers—instead it should be a call to all Europeans to do their share; and the East-West dialogue must not be narrowed down to disarmament and armament verification alone. Here we must make far greater use of the achieved success, as an incentive for extensive cooperation in all spheres. For our part we are prepared to do our share in this!

The CSCE process provides all European states with skeleton conditions, enabling them to implement their interests and responsibility to an extraordinary extent. That is why we attach great significance to a successful conclusion of the CSCE follow-up meeting in Vienna. We do not merely want to confirm and push through things which have already been achieved—we want to reach progress that will be felt by the people. We must build today the Europe of tomorrow. We must create a peaceful arrangement in Europe that would guarantee the people greater certainty, a more generous exchange, more numerous encounters, and increased personal rights and basic freedoms. No other nation will benefit from this more than we Germans will benefit from this for our divided nation. We want all Europeans and all Germans to be able to entertain mutual contacts in common freedom.

On the eve of my visit here, my fellow citizens confided in me (more than ever before, in letters and in personal talks) their worries and their hopes, but most of all their wish that this trip should be successful. In your country,

too, the people are placing great expectations in our meetings. This task, the hopes and expectations of the people in our two countries, should be our guideline for the future arrangement of our relations.

I therefore express the good wishes of my fellow-citizens when I raise my glass and drink to your health, esteemed Mr Premier; when I drink to the prosperity of the Czech and Slovak people, to good-neighborly relations and the successful cooperation between our two countries and our peoples, and to peace in Europe and in the world.

Kohl Concludes Visit

AU031230 Prague RUDE PRAVO in Czech
28 Jan 88 pp 1,7

[CTK zr-signed report: "Businesslike Dialogue for the Benefit of Europe; FRG Federal Chancellor's Visit Ends; Negotiations With Milos Jakes, CPCZ Central Committee General Secretary, and CSSR President Gustav Husak; Final Talk With CSSR Premier; Honoring the Memory of Nazi Victims in Lidice; Meeting the Journalists; Farewells at the Airport"]

[Excerpts] Prague—The 2-day official visit paid by FRG Federal Chancellor Helmut Kohl to Czechoslovakia culminated on Wednesday [27 January] with his reception by Comrade Milos Jakes, CPCZ Central Committee general secretary, and Comrade Gustav Husak, CSSR president, in Prague. On the same day the guest met for another talk with Comrade Lubomir Strougal, federal premier, in whose honor he gave a festive luncheon. H. Kohl laid a wreath at the mass grave of the men of Lidice and paid tribute to their memory. Early in the evening, he gave a press conference, during which he appraised the course and results of his visit. In the evening he was seen off with military honors at the Ruzyně Airport by the CSSR premier. [passage omitted]

On the same day the FRG Federal Chancellor was received by CSSR President Gustav Husak at Prague Castle, in Lubomir Strougal's presence. [passage omitted] The reception was attended by Frantisek Salda, chief of the Chancellery of the CSSR President; Horst Teltschik, ministerial director in the Federal Chancellor's Office; and Werner Schattmann and Dusan Spacil, the ambassadors of the two countries.

The FRG Federal Chancellor gave a festive luncheon in honor of the CSSR premier on the premises of the FRG Embassy in Prague. It was attended for the Czechoslovak side by Rudolf Rohlicek, first federal deputy premier; by Ladislav Adamec, Pavel Hrivnak, Jaromir Obzina, and Svatopluk Potac, federal deputy premiers; by Michal Stefanak, CPCZ Central Committee department head; by Bohuslav Kucera and Vladimir Vedra, deputy chairmen of the CSSR Federal Assembly; by ministers of the Federal Government; and by other personalities. [passage omitted]

On Wednesday [27 January] evening Lubomir Strougal and Helmut Kohl met in the Praha Hotel for final negotiations. They both highly appraised the significance and course of the 2-day official visit paid by the FRG federal chancellor to the CSSR. They underscored that the federal chancellor's talks with the top Czechoslovak representatives had been businesslike, specific, and frank; and they discussed the suggestions that had emerged from these talks. They placed emphasis on the further development of contacts and cooperation between the two countries in the political, economic, cultural, and social spheres. The two statesmen exchanged lists of specific tasks to ensure the development of this cooperation, and agreed that the accomplishment of these tasks should be carefully checked on in the course of 1 year [v prubehu jednoho roku].

Helmut Kohl invited Lubomir Strougal to visit the FRG. The invitation was accepted with thanks. The date of the visit and its program will be determined via diplomatic channels.

On Wednesday morning H. Kohl visited Lidice. To the accompaniment of funeral music and military honors, he laid a wreath at the mass grave of the men of Lidice and paid tribute to their memory. He also inspected the museum that contains documents about the tragic event—the annihilation of Lidice in 1942. Marie Jarošova and Libuse Proskova, deputy chairwomen of the Czech National Council and chairwomen of the Lidice National Committee, briefed the guest on the history of the Lidice community, on its tragic fate during the war, and on its current life.

In his entry in the visitors book, the FRG's representative expressed respect for the memory of the Lidice victims and emphasized their legacy to the cause of peace and respect for life throughout the world.

H. Kohl was accompanied by Bohuslav Chnoupek, Dusan Spacil, and Werner Schattmann.

H. Kohl's Press Conference [subhead]

The talks that I conducted with General Secretary Jakes, President Husak, and Premier Strougal in Prague were very frank and businesslike, and I received important data on Czechoslovak restructuring, the chancellor stressed at the press conference. He recalled the landmark role played by Chancellor Brandt's visit 15 years ago and stated that he attaches great significance to his own visit, since it means the beginning of new relations between neighboring countries with different social systems.

According to the chancellor, the international situation is extremely favorable for negotiations within the framework of improving East-West relations. He expressed the hope that this year's meeting between M. Gorbachev and R. Reagan would take place in Moscow, and that a treaty on a 50-percent reduction of strategic offensive weapons

would be signed during the meeting. In this context he mentioned his coming trip to the United States and repeated that his government is in favor of a ratification of the Soviet-American agreement on intermediate- and shorter-range missiles of December 1987. He spoke in favor of successfully concluding the Vienna follow-up meeting of the signatories of the Final Act.

He said that the CSSR and FRG can take further steps in mutual relations (based on the bilateral treaty of 1973), including regular, high-level political negotiations; at the same time he suggested checking the progress achieved in economy, cooperation, science, culture, and so forth toward the end of the summer of 1988. In this context he appraised the signing of the agreement on river navigation and the proposals on further cooperation submitted to him by the Czechoslovak side. It is in the FRG's interests, he said, to make further progress in also establishing partnership relations between cities in environmental protection, in the exchange of cultural values, in the establishment of cultural institutes, in tourism for young people, and in solving humanitarian issues. At the same time he expressed his appreciation for the fact that the Czechoslovak Government has recently solved a number of difficult family reunification cases.

Although the number of cases of economic cooperation has risen, it is not adequate to the existing possibilities. Moreover, we are in favor of setting up mixed enterprises, the chancellor said, recalling the words of the Czechoslovak premier, namely, that legal prerequisites would also be established for this. Both enterprises and banks in the FRG are interested in this, H. Kohl stressed. A dignified role in this is played by possible cooperation in the production of equipment for environmental protection.

He also underscored the opportunities for collaborating in the cultural, scientific, and educational spheres. He concluded his declaration [prohlášení] by expressing thanks for his friendly reception in the CSSR.

He then replied to the journalists' questions, which were oriented toward expounding certain parts of his introductory statement.

On the same day the chairmen of the CSSR Federal Assembly—Vladimir Vedral, chairman of the Chamber of the People, and Bohuslav Kucera—received Volker Ruehe, deputy chairman of the CDU/CSU parliamentary group in the FRG Bundestag, who visited the CSSR as a member of Chancellor Kohl's entourage.

In the evening FRG Federal Chancellor Helmut Kohl concluded his 2-day official visit to the CSSR at the CSSR Government's invitation, and departed for home. [passage omitted]

Reagan's State of Union Message Criticized
AU011742 Bratislava PRAVDA in Slovak
29 Jan 88 p 7

[Milan Rusko commentary in the "A Word on the Events" column: "Pseudo-Revolutionary Rhetoric of the Message"]

[Text] The "State of the Union" message is traditionally a serious test for a whole team of propaganda and "public relations" experts, whose task is to present the American President in the best possible light. High-flying formulations appealing to patriotic and religious feelings dexterously conceal the perpetual problems of most people and shrewdly divert attention to issues that, as the authors are convinced, should be to the liking of everyone who feels American.

This year's message, which Ronald Reagan presented before Congress on Tuesday [26 January], was also marked by this spirit. His appeal that even "America's leaders today must pledge to each other that they will keep foremost in their hearts and minds not what is best for themselves or for their party, but what is best for America" has, in spite of its general nature, a quite specific addressee among politicians, businessmen, and millionaire congressmen. But it will hardly convince millions of ordinary Americans who are made to pay for the current administration's unbalanced economic policy, for its inability to achieve a balanced budget and to contain the rising foreign trade deficit. These facts are not changed in the least, even by the half-demagogic and half-humorous "we owe it to ourselves." This is because the cuts in spending on social security, health care, and education show that there is "someone" who foots the bill, after all. It is, above all, the bill for the growing military budget; hardly anyone can deny that there is a correlation between the United States' debt and its armament expenditures. As a matter of fact, during the Reagan administration, the debt has increased by roughly the same amount as armament expenditures. The recent dramatic weakening of the dollar's position vis-a-vis other Western currencies is an unmistakable symptom of the problems facing the American economy.

As so often in the past, when it was necessary to divert attention from domestic issues, Ronald Reagan has again tried to "win points" in the foreign policy part of the message. "In international relations, too, there is only one description for what we have achieved: a complete turnabout, a revolution," he declared with pathos. He stressed that America is strong and "democracy is everywhere on the move," suggesting that the United States deserves credit for it. The President declared with remarkable daring that "the country has been at peace for almost 15 years and moves toward the goals of prosperity and freedom in the world."

God only knows who is to blame for this and similar imprecisions—after all, the Reagan administration is responsible for the armed aggression against Grenada,

the undeclared war against Nicaragua, including the CIA's direct part in the mining of Nicaragua's ports, as well as attempts to bring about, by so-called covert operations, political changes in many states of the world and to set up pro-American regimes there (in Panama, for example). If the President does not regard the piratical air raid on Libyan cities, coupled with calls to overthrow the highest representative of a sovereign state, as a military act, what constitutes aggression then? A very peculiar notion of international law is also contained in the announcement that the administration will continue to support the anti-government UNITA gangs in Angola, the counterrevolutionary groups of Afghan mujahidin, and that in a few days it will ask for new aid of over \$35 million for the Nicaraguan "contras." The American President says in the message that the global democratic revolution has removed the specter—so frightening a decade ago—of democracy doomed to a permanent minority status in the world and claims that the United States owes this to all those courageous people who have struggled to gain control over their own countries. But the passage that asserts, at variance with geography, that Nicaragua, a nation of 3.5 million people building an army of 600,000 men, is a state that is near the United States' borders, illustrates the low factual, and thus also political, value of the message...[sentence as published]

The American President struck a more realistic chord only when he referred to the importance of the Soviet-American agreement on the elimination of intermediate- and shorter-range missiles and called on members of Congress to agree to its ratification. He declared that "we are within reach of an even more significant treaty on the reduction of strategic weapons." However, at the same time, he declared that "we will not seek agreement for agreement's sake," but only an agreement that will truly enhance the national security of the United States and its allies. Reagan crowned his defense of the program of space militarization with the assertion that SDI is also "an insurance policy against a nuclear accident, or an accidental launch, or some madman who might come along," which, of course, is also at variance with the views of scientific and military experts. The President's statement that America is once again the energetic leader of the free world is more an expression of his wish than reality. Indeed, it does "act energetically in protecting its vital interests," as the President declared. He only forgot to add that it does so by means of brute military force, without regard for the legitimate rights of others, wherever it dares defeat and oppress those who are weaker. If the President takes pride in the fact that young Americans put on a military uniform with greater zest than before and that the army is better equipped, it is hard to accept at the same time his proposition that America's policy is one of peace.

FRG Accused of Using Journalists as Spies
*LD031757 East Berlin Voice of GDR Domestic Service
in German 1605 GMT 3 Feb 88*

[Text] Facts that have recently come to light in the FRG and West Berlin prove that it is normal practice for the FRG secret services to use journalists as agents. This was also confirmed by the former inspector in the FRG office for the Protection of the Constitution, Hans-Joachim Adam, who defected to the GDR last year. A report from the ADN NEWS AGENCY says:

As a departmental head in the Bavarian Branch of the Office for the Protection of the Constitution, Hans-Joachim Adam gained an insight into the cooperation between FRG secret services and journalists when inspecting the files of members of the public services. His 10 years of experience and knowledge of the Constitutional Protection Office show that this secret service, apart from the surveillance of progressive forces in the FRG, worked actively with the Federal Intelligence Service, BND, on interference in the internal affairs of the socialist countries, with the GDR as a prime target.

Under the pressure of the available proof, the head of the Lower Saxony branch of the Office for the Protection of the Constitution, Joachim Bautsch, and Interior Minister Wilfried Hasselmann were forced to concede that several journalists in this federal land are working for the secret service. Referring to "good results" of cooperation, Bautsch even appealed to the journalists to work more intensively with his office in the future. Even more journalists than previously should "supply their information to us." Journalists Manfred Bissinger, in his book "At Your Secret Service" [Unheimlich Zu Diensten], reports on the fact that journalists are on the payroll of the FRG secret services. He says that this cooperation extends from correspondents' confidential and highly-paid work as agents above all in Eastern European countries, through occasional cooperation by editors who are given fake journalistic assignments by cover firms belonging to the secret services, to joint work on so-called "influence agents" who plant reports in the press, as demanded by the secret services.

In view of these facts, the chairman of the Lower Saxony Journalists Union in the printing trade union, Rainer Gutenschoen, pointed to the contradiction between the idea of a democratic society and the fact that journalists are acting as spies in the service of secret agencies.

FRG Protests Accusation
*LD031238 Hamburg DPA in German
1213 GMT 3 Feb 88*

(Text) East Berlin (DPA)—The Federal Republic's permanent mission to the GDR in East Berlin today protested on behalf of the federal government to the GDR's Foreign Ministry against accusations raised in the SED organ NEUES DEUTSCHLAND against journalists accredited to the GDR.

To this end the deputy head of the mission Franz-Juergen Staab, this morning went to the ministry. The accusations and implied threats were sharply rejected, the mission announced.

The federal government does not have "the least knowledge" that journalists accredited here are being misused for ends not compatible with their job. A warning was issued against restricting possibilities to work and poisoning the atmosphere.

FRG Protest Rejected
*LD031553 East Berlin ADN International Service
in German 1524 GMT 3 Feb 88*

[Text] Berlin, 3 Feb (ADN)—The Foreign Ministry today rejected a protest lodged by the permanent mission of the FRG in the GDR against a commentary entitled "Journalists on the Payroll" published in today's NEUES DEUTSCHLAND. The Foreign Ministry pointed to the campaign of rabble-rousing propaganda and slander which has been conducted in the FRG media for days and which can only cause serious harm to the normalization of relations between the GDR and the FRG and poison the atmosphere.

Honecker Receives FRG Party Official
*LD041043 East Berlin ADN International Service
in German 1012 GMT 4 Feb 88*

[Text] Berlin, 4 Feb (ADN)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, received Dr Otto Graf Lambsdorff, member of the FDP Presidium, for a talk in Berlin this morning. The FRG official is visiting the GDR for several days. The talk took place in the State Council building in Berlin's Marx-Engels-Platz.

Readers' Letters Condemn 'Provocative Acts'

AU031425 [Editorial Report] East Berlin NEUES DEUTSCHLAND in German on 2 February on page 3 under the headline "Reply From the Population to Recent Provocative Acts Against the Legal System of Our State and to the Information Published by the Press" carries readers letters (2,000 words) denouncing the behavior of human rights activists and pacifists who staged a separate demonstration during the commemorative march for Rosa Luxemburg and Karl Liebknecht on 17 January. In its introduction to the readers' letters the paper states that the "working people of all classes and strata of the GDR population vehemently and resolutely condemn the attempt by a small group of hired provocateurs to desecrate the legacy of Karl Liebknecht and Rosa Luxemburg and to abuse it against socialism and peace. It is particularly outrageous that such persons are financed by Western intelligence services and certain political forces in the FRG and Berlin (West), and that they are ready to carry out activities that are counter to the interests of all GDR citizens and the peace-loving peoples in the FRG."

Ingo Rempke from the "Hermann Duncker" Rathenow Optical Works writes: "I fully approve of the measures taken by our state and security organs. It was the duty of our state to intervene because revolutionary traditions were abused and the whole action was apparently controlled from outside."

Another reader, Karl-Heinz Schleinitz, section head in the Paschwitz Agricultural Producer Cooperative, Ellenburg Kreis writes: "The reaction of the FRG media shows that this was a prepared and deliberate provocation designed to damage the reputation of our socialist states and its peace policy."

The "Otto Pichel" Youth Brigade from the Regis Brown Coal Enterprise writes: "We condemn the provocations, which are controlled by the FRG and supported by certain church circles." And the "Bertolt Brecht" work collective from the VEB Communications Works in Nordhausen states that they "vehemently condemn the actions of the hostile groups during the funeral march for Rosa Luxemburg and Karl Liebknecht. The press publications demonstrate clearly who is putting a strain on relations between the two German states."

Most of the letters come from work collectives of VEB's and combines.

Commentary on Luxemburg

AU031250 East Berlin NEUES DEUTSCHLAND
in German 2 Feb 88 p 2

[Commentary by Prof Dr Heinz Kamnitzer, president of the GDR PEN Center: "...Always the Freedom of Those Who Think Differently"]

[Text] How wonderful this utopia is, and how dreadful it turned out to be. If one accepts this principle, Rosa Luxemburg became a victim of it. In any case, she did not survive the freedom of those who thought differently. [Reference to statement associated with Rosa Luxemburg that "Freedom is always the freedom of those who think differently"] Before she was murdered, people who thought differently used their great power and their great money to condemn and decry Rosa Luxemburg in their papers, on posters, and on flyers.

They flooded our country, particularly Berlin, with a wave of slander and organized a witch-hunt which led up to her assassination. The bourgeois papers carried daily reports on how bloodthirsty she was, the Russian whore, who was at the mercy of her hunters.

On posters and advertising pillars the sum of M100,000 was promised to the person who brought in Rosa Luxemburg or Karl Liebknecht dead or alive. On 13 January 1919 the following poem was published by VORWAERTS:

"Many hundred thousands of dead in one row Karl, Rosa, Radek and companions no one among them no one among them."

Two days later Rosa Luxemburg and Karl Liebknecht fell victim to the witch-hunt of those who thought differently. Even at that time they were still pursued by lies. The papers rejoiced and announced that they had been shot while trying to escape.

In the Democratic Republic of Weimar, those who thought differently not only controlled most of the publishing houses and the press, but also fine literature. Those who in their prose and poetry clearly and resolutely advocated humanity were like tears in a big ocean mainly populated by toy and predatory fish.

Usually we only mention the glorious names, the good novels, the leftist magazines from those years and make ourselves believe that it was the attitude of the democratic authors that prevailed in the book market at that time. But the reading material for the majority was supplied by completely different spirits. The poets and novelists who are dear to our hearts, including Brecht, the Mann brothers, and Zweig, were not known to them and not read by them.

Between 1918 and 1933, 34 titles were published in half a million copies. These included only one book each by three writers who supported the Weimar Republic: "Buddenbrooks" by Thomas Mann, "All Quiet on the Western Front" by Erich Maria Remarque, and "Emil and the Detectives" by Erich Kaestner. The books of those who thought differently, published in a large number of copies, belonged to the German-nationalist and pre-fascist orientation, such as books by Walter Flex, Hermann Loens, Hans Carossa, Werner Beumelburg's "Bosemueller Group", Hans Grimm's "Nation Without Room," and "Watch on the Rhine" by Clara Viebig.

The murder of Rosa Luxemburg and Karl Liebknecht, as well as the rise of Adolf Hitler, furnished cruel evidence of what general freedom for those who thought differently could bring upon us. Not always and not for all should the freedom of those who think differently be the freedom that we mean and want, that we want to protect and safeguard. It must be examined in each individual case at what and against what it is directed, so as to decide who is entitled to claim it for himself.

GDR Church Pleas for Moderation, Dialogue
AU011349 Vienna Domestic Service in German
1100 GMT 1 Feb 88

[Barbara Coudenrove-Kalergi report]

[Excerpts] [Passage omitted] In almost all Protestant churches in East Berlin and in many provincial churches—also in one Catholic Church—petitionary services were held on the weekend for the imprisoned demonstrators.

Berlin's bishop, Gottfried Forck, and his church leadership called on the state to make a just and humane decision which eliminates distrust, and the church leadership asked its followers for prudence and readiness for dialogue.

The Protestant Church wants to do everything to contribute to better conditions in the country. However, it does not want to provoke the state but, if possible, to tackle the situation together with it.

Some young people do not consider this enough. The church's reticence is mostly due to the fact that the protesters at the Rosa Luxemburg demonstration on 17 January were mainly people who were not concerned about reforms in the GDR, but who wanted permission to emigrate. They were successful in this respect; in the meantime the state has expelled most of them to the West.

Like the Protestant Church, the small group of people, who for years have been steadfastly and patiently struggling for human rights and the freedom of expression, do not want to be identified with those who no longer want to have anything to do with the country. [passage omitted]

The people in East Berlin—some of them even in party circles—are often of the opinion that, through their excessive reaction, the security forces have caused more damage than benefit to the GDR.

'Hooligans' Sentenced

LD031737 East Berlin ADN International Service
in German 1600 GMT 3 Feb 88

[Text] Berlin 3 Feb ADN—In the trial of a further eight hooligans who were involved in the serious riots last 17 October outside and inside the Church of Zion, the Berlin-Mitte Kreis Court has imposed the following prison sentences:

The accused Lars M. received 3 years and 9 months; Torsten V.W. 3 years; Burkhard L., 2 years and 8 months; Thilo H., 2 years and 6 months; Andreas F., 2 years; Andre R., 2 years; Stefan G., 1 year and 10 months; Andre T., 1 year and 3 months. The city district court took into account the various degrees of involvement in the crime.

The extensive evidence heard during the trial, which lasted several days, showed that the accused had banded together in a gang and had attacked visitors at a concert in an organized manner and with brutal violence, while yelling fascist and racist slogans and insults. Numerous citizens were injured by blows and kicks during the attack. The accused created an atmosphere of fear and danger and committed a grave breach of the peace.

The verdict particularly stressed—and this was clearly proved by the evidence—that the violence was inspired by skinheads from Berlin (West) and prepared and carried out with their active participation.

In its verdict the court said that for the citizens of the GDR the rule of law was one of socialism's most precious achievements. The constitution and the law demand that public order, the peaceful life and the rights and dignity of people be protected against all attacks.

Foreign Minister Fischer Visits Spain

Meets Juan Carlos I

LD011250 East Berlin ADN International Service
in German 1154 GMT 1 Feb 88

[Text] Madrid, 1 Feb (ADN)—GDR Foreign Minister Oskar Fischer, at the start of his official visit and talks in Madrid at the Palacio de la Zarzuela, was received Monday by King Juan Carlos I.

Oskar Fischer conveyed cordial greetings from Erich Honecker, SED central committee general secretary and chairman of the GDR Council of state, and presented the best wishes for the prosperity of the Spanish people, for which Juan Carlos expressed his sincere thanks.

The GDR foreign minister praised Spain's work for the preservation of peace through ending the arms race, for the reduction of nuclear potentials, and the worldwide ban of chemical weapons. He explained the GDR's international policy, which aimed at peaceful and mutually beneficial cooperation. The GDR, Oskar Fischer underlined, sees in its policy of dialogue an effective means, which corresponds to its possibilities, to achieve these lofty objectives of mankind.

King Juan Carlos I emphasized that Spain welcomed the positive trends in the latest international development and was encouraged by them. Spain saw a policy of peaceful conciliation of interests pursued by all states as the only way to safeguard for mankind a future worth living.

The GDR foreign minister and the Spanish head of state expressed their satisfaction with the state of their bilateral relations. They agreed that the continuation of the political dialogue and the economic, scientific-technological, and cultural exchanges between the GDR and the Kingdom of Spain, which were far from exhausting all the potential, were in the interest of the two states and had to be purposefully promoted.

King Juan Carlos I asked his guest to convey cordial greetings to Erich Honecker, SED Central Committee general secretary and GDR Council of State chairman, and to assure him of Spain's wish to be able to cooperate with the GDR in a peaceful world.

Meets President Gonzalez

*LD011602 East Berlin ADN International Service
in German 1517 GMT 1 Feb 88*

[Text] Madrid, 1 Feb (Adn)—GDR Foreign Minister Oskar Fischer met Monday with Spanish President Felipe Gonzalez in Moncloa, the Madrid seat of government. He conveyed the best wishes from Erich Hon-ecker, which were reciprocated.

Oskar Fischer underlined that his official visit to Spain was an expression of the GDR's efforts to explore, in a wide-ranging political dialogue, all the opportunities for better mutual understanding and thus growing confidence in the strength of international cooperation, which stabilized world-peace. The foreign minister explained the GDR's work for beginning nuclear disarmament and expanding the CSCE process.

Felipe Gonzalez emphasized that the GDR and Spain, irrespective of their different social systems and opposing alliance memberships, see opportunities for peaceful cooperation between the states and people which, assuming good will by all parties involved, could be used to shape a more secure world. The regular political dialogue between the GDR and Spain was one concrete contribution toward this.

Oskar Fischer and Felipe Gonzalez expressed their satisfaction that the bilateral relations were developing free from onerous problems. They emphasized that it was in the interest of both sides to develop cooperation, urpo-sefully, above all in the economic area.

The talk, held in a constructive atmosphere, was attended by GDR Ambassador Dr Harry Spindler.

Meets With Madrid Mayor

*LD021455 East Berlin ADN International Service
in German 1247 GMT 2 Feb 88*

[Text] Madrid, 2 Feb (ADN)—GDR Foreign Minister Oskar Fischer today had a friendly meeting in Madrid's historic Town Hall with the Mayor, Juan Barranco, president of the World Federation of Peace Cities.

The mayor paid tribute to the success of the GDR exhibition which is currently being shown in the Madrid Cultural Center and which is one of the best and most comprehensive exhibitions he has seen so far. It is a result of the sister city agreement between Madrid and Berlin, which is contributing to better mutual acquaintance and thereby to understanding between the peoples.

Oskar Fischer said he considered the trendsetting relations between capitals important for reducing mistrust and creating confidence. Cooperation between cities can contribute to a favorable political and moral climate for detente. By their relations, the capitals of the GDR and

Spain are setting an example of meeting each other half way. At the end of the talks, the GDR foreign minister accepted the City of Madrid Medal.

Meets Pons, Carvajal

*LD022156 East Berlin ADN International Service
in German 1845 GMT 2 Feb 88*

[Text] Madrid, 2 Feb ADN—GDR Foreign Minister Oskar Fischer Tuesday visited the Parliament in Madrid, the Cortes. He met Felix Pons, the president of the Chamber of Deputies, and the Senate President Jose Federico de Carvajal.

The GDR foreign minister and the presidents of the two chambers of the Spanish Parliament spoke out in favor of strengthening parliamentary relations. They were an important contribution to cooperation among states and to understanding among peoples. They agreed that the parliaments can do much to aid an improvement in the international situation. Felix Pons and Jose Federico de Carvajal stressed that parliamentary relations give a productive impetus to European cooperation. Oskar Fischer underlined that the GDR seeks dialogue with all forces who want peace.

Hosts Dinner for Fischer

*LD022155 East Berlin ADN International Service
in German 2014 GMT 2 Feb 88*

[Text] Madrid, 2 Feb (ADN)—Spanish Foreign Minister Francisco Fernandez- Ordonez gave an official dinner at the Viana Palace in Madrid in honor of GDR Foreign Minister Oskar Fischer on Tuesday evening. The two ministers exchanged toasts.

Holds 'Constructive' Talks

*LD031609 East Berlin ADN International Service
in German 1415 GMT 3 Feb 88*

[Text] Madrid, 3 Feb (ADN)—In Madrid today, the foreign ministers of the GDR and Spain, Oskar Fischer and Francisco Fernandez-Ordonez, held constructive talks in a spirit of mutual understanding on a broad circle of bilateral questions and international problems of mutual interest. The talks centered on the continuation of detente and disarmament.

The two ministers described the level of bilateral relations as a good starting position of their intensification, which both sides desire. They stressed that the political dialogue between the GDR and Spain, which belongs to different social systems and alliances, is proceeding fruitfully and should be expanded. This dialogue is an encouraging example for the search for more peaceful coexistence in a world that is still characterized by great tensions and dangers. The foreign ministers are in agreement in describing it as desirable to increase economic cooperation and trade for mutual benefit.

The potential for scientific-technical cooperation should also be better used for this. Cultural-scientific exchanges are also developing well.

The ministers discussed the level of contractual cooperation and agreed to tackle in good time the additions to the system of agreements necessary for the future.

In discussing the international situation, Oskar Fischer and Francisco Fernandez-Ordonez concentrated their attention on evaluating developments since the Soviet-U.S. summit in Washington. They both supported the early ratification of the treaty on the double-zero option. They agreed that the encouraging start to nuclear disarmament must be followed by further substantive measures. This includes strategic nuclear weapons as well as conventional armaments.

In Europe, the ministers said, the CSCE process remains indispensable for shaping the peaceful coexistence of states. Therefore, it is a priority concern to continue this process with good judgment and an understanding of the

realities. There was agreement that a peaceful world must not be based on ever-increasing weapons arsenals, but on a peaceful balance of interests.

In this connection, Oskar Fischer explained the proposals of the Warsaw Pact states to compare the military doctrines of NATO and the Warsaw Pact in order to discuss ways of removing the asymmetries in the troops and armaments of the two systems and finally to arrive at a mutual non-offensive capability. He spoke about the GDR's initiatives for the creation of a chemical weapon-free zone and a nuclear weapon-free corridor in central Europe.

Foreign Minister Fernandez-Ordonez accepted with thanks an invitation to pay an official visit to the GDR.

At the end of the official talks, Oskar Fischer and Francisco Fernandez-Ordonez signed an agreement on judicial assistance in civil matters between the GDR and Spain, which they described as a measure favorable to the further expansion of relations.

Philosopher Addresses Embassy Demonstrators

LD031400 Belgrade TANJUG in English
1238 GMT 3 Feb 88

[Text] Budapest, February 3 (TANJUG)—Hungarian authorities did not issue a permit for the demonstrations held outside the Romanian Embassy in Budapest on February 1, as officially reported here today.

Around 300 persons took part in the peaceful demonstrations, as reported, and dispersed after forty minutes or so, on being urged to do so by the police.

The majority of the participants in the demonstrations of "solidarity with the Romanian people" were Romanian refugees of Hungarian descent, who have in increasing numbers been seeking asylum in Hungary.

Philosopher Tamas Gaspar Milos addressed the demonstrators, as has unofficially been learned.

CSSR's Defense Minister Meets With Karpati

LD021929 Prague CTK in English
1836 GMT 2 Feb 88

[Text] Budapest Feb 2 (CTK correspondent)—Czechoslovak Defence Minister, Army General Milan Vlacik today paid a one-day working visit to Hungary. He was received by his Hungarian counterpart, Colonel-General Ferenc Karpati.

The two ministers visited soldiers and the staff of the Czechoslovak People's Army, who, together with units of the Hungarian People's Army and the Soviet Army, participate in the joint exercises "Friendship 88".

Fejti Receives Ethiopian Delegation

LD032331 Budapest MTI in English
1742 GMT 3 Feb 88

[Text] Budapest, February 3 (MTI)—An Ethiopian party delegation, headed by Shewandagn Belete, alternate member of the political committee of the Central Committee of the Worker's party of Ethiopia and secretary of the Central Committee, visited Hungary January 28 To February 3, on the invitation of the HSWP Central Committee.

The Ethiopian delegation met Gyorgy Fejti, secretary of the HSWP Central Committee. The delegation, which visited Hungary to study the Hungarian practices in state administration, met Peter Varga, member of the Central Committee and head of the CC Public Services and Administration Department, and Zoltan Gal, deputy minister of the interior. The delegation studied the activities of the Metropolitan Council of Budapest and the college of state administration and met county officials of the party and the administration.

Presidential Council Holds Session

AU040909 Budapest MAGYAR NEMZET in Hungarian
30 Jan 88 p 4

[MTI report: "Presidential Council Discussed Citizenship Affairs"]

[Text] The Presidential Council of the Hungarian People's Republic held a meeting on 29 January.

The body discussed a report on settling of citizenship and amnesty issues submitted to the Presidential Council in 1987.

On citizenship issues, the Presidential Council made decisions which are in the spirit of the stipulations of the law on citizenship and of the implementation of international agreements on the elimination of dual citizenship. The number of people affected by citizenship affairs stood at 2,638 in 1987, an increase of 18 percent over the previous year. The majority of requests for the granting of Hungarian citizenship were justified by family reasons—marriage to Hungarian citizens and settling family members. Release from the bounds of Hungarian citizenship was requested primarily by people who regarded their stay abroad as final and wished to acquire foreign citizenship in order to guarantee their stay and livelihood. On the basis of international agreements on elimination of dual citizenship, the cases of 502 children with dual citizenship were settled in 1987.

Concerning the amnesty decisions, the Presidential Council concluded that the principle behind the decisions was that the amnesty procedure did not aim at revising the court decisions but aimed at evaluating the individual circumstances following conviction. Out of 1,800 petitioners for amnesty in 1987, 227 requests were granted.

Then, the Presidential Council released and nominated judges.

Interior Minister Horvath on Modernization

AU031029 Budapest MAGYAR HIRLAP in Hungarian
30 Jan 88 p 3

[Interview with Interior Minister Istvan Horvath by Correspondent Janos Gy. Kiss: "More Modern Government Management—Self-Management, Openness, Order, and Legal Security"—date and place not given]

[Text] At its December 1987 session the National Assembly adopted the law on the ministries, and a decision was made to reorganize the government. It was the first time since 1967 that such a large-scale change had been made. At the closed session of the National Assembly, Premier Karoly Grosz said that the changes to be implemented in the ministries and in organs with a national sphere of authority aim at establishing integrated ministries that are capable of ensuring internal coordination and, at the same time, of eliminating rigid

functional and sectoral divisions in economic management. The deadline is 31 March; until then, however, MAGYAR HIRLAP will continuously report on the work being done in this spirit. Our series now continues by publishing the tasks of the Ministry of Interior.

[Kiss] Within a relatively short time, you have become interior minister again. Let me ask you, does the fact that you already know the Interior Ministry's work represent an advantage?

[Horvath] Yes, I think it does. My old and new coworkers employed in the sphere of the councils' activity also made me feel this at my reception. In any case, this is an advantage. At the same time, however, activity in the interior ministry is currently undergoing a considerable change and this represents new tasks for me too. Incorporating the administrative work connected with local council bodies into the framework of the Interior Ministry involves an increase in the tasks facing the ministry. From now on, the Interior Ministry must not only defend but also develop our socialist relations. It is not an easy task to work out ways to readjust an organization that operates on the principle of having representatives and with democratically elected bodies and apparatus, into a hierarchy-based organization operating with a staff nominated from top to bottom. However, it is not some kind of treasured optimism that tells me that we will solve this problem.

More Clear-Cut and Open Responsibilities [subhead]

[Kiss] In spite of the information supplied so far, the local council members and employees, just like broader public opinion, wonder about the considerations that led to the elimination of the Council Affairs Office of the Council of Ministers and about the role played by the Interior Ministry in the central management of local council administration. To what extent will this change affect the central management of local councils?

[Horvath] The organizational measures adopted at the December session of the National Assembly—including the elimination of the Council Affairs Office and the assumption of its functions by the Interior Ministry—took place in the spirit of reducing the disproportion in the central state administration system and of creating more clear-cut and open responsibilities. No doubt, it was a surprise to many people that the Council of Ministers will in future guide the local councils by means of the Interior Ministry. I want to stress, however, that through this the order in which the local councils are administered by the government has not changed, in other words, the relevant tasks and sphere of authority of the National Assembly, of the Presidential Council, and of the Council of Ministers have not changed.

The local council bodies have not been nor will they be subordinated as an organization to a central state administration body, and thus they will not be subordinated to the Interior Ministry either. At the same time, the fact that their

direct central management was taken over by a ministry that is led by a government member from a state office led by a state secretary shows the increase in the value and importance, from a domestic policy and administrative point of view, of the activity carried out by the local councils. I can also say that the issues of local representation of interests and of the conditions of district and local implementation of central decisions have been made part of the government. With this decision, the two segments of public administration—local and district council administration that affects the entire population and the widest areas of government activity, and the system of administering of public security that represents, no doubt, a narrower area of government activity—have become the responsibility of one body.

[Kiss] The organization and sphere of authority of the Councils Affairs Office that ceased to exist will, therefore, become part of the Interior Ministry. How is this to be carried out and where does this process stand now?

[Horvath] We are, indeed, talking about a process, because we have to create a new organization and we must submit a proposal to the Council of Ministers to establish the tasks, sphere of authority, and operational system of the Interior Ministry by the end of March 1988. In the meantime, we must accommodate the apparatus that governs the local councils and must create adequate working conditions for this apparatus.

Within our ministry an organization made up of the personnel of the former Councils Affairs Office, but a less divided one and with a 20 percent smaller staff, will fulfill the tasks related to local councils. Up till now, the Councils Affairs Office was governed by a state secretary, two deputy chairmen with deputy ministerial rank, and six main department heads. From now on, within the ministry led by the interior minister, the body in charge of the councils' affairs will be governed by a deputy minister, a cabinet head, and two main department heads. We have taken steps for the possible integration of common tasks—tasks connected with secretarial chores, press issues, international relations, record-keeping, data processing, personnel, training, and instruction. We are determined to make use of this reorganization to rationalize the present council and police administration and to eliminate superfluous parallels primarily within the ministry but, in line with the possibilities, also within the district and local bodies. I regard it as possible—and one can already notice such initiatives in some places—that in the near future cooperation will emerge in the official activity carried out by the councils and the police, for example, by creating a joint service for the population.

We Want To Increase the Scope of Local Councils [subhead]

[Kiss] What is the basic position from which the Interior Ministry wishes to contribute to the central management of local councils, and what main goals does the ministry intend to fulfill?

[Horvath] It is important for the social and economic stabilization and development program to have confident local self-management bodies that are able to act independently, accept the responsibility for solving the decisive task facing them, and who take an active role in solving these tasks. The efforts of the Interior Ministry are directed toward implementing this political goal and creating the necessary conditions for the implementation of this political goal. Therefore, we are determined to further increase the sphere of authority, official lawful authority, and the economic independence of local councils. Of course, we are aware of the fact that the present time is less favorable primarily concerning the latter, as we have less money for public expenditures, and in real values, the local councils' financial assets have considerably decreased.

I am convinced that the current difficult economic situation makes it imperative to increase the scope of local councils because the possibilities of compensating for the decreasing central subsidies and of making optimal use of the available financial means can be best found locally. The considerable results achieved by local councils in developing their communities and maintaining institutions prove this. At the same time, however, we want to interfere less from above in the way local councils organize their activity and in the type of organizational system and working methods they create. While we intend to more strongly assert their justified interests, we are, of course, also striving to consistently implement the government intentions too, and we compel the local councils to do so. In addition to the county councils, we would also like to have direct contacts in a wider area of activity with the local councils, primarily with the municipal councils. We want to have fewer supervisory relations with the councils, but more thoroughly prepared relations that are better oriented toward efficiency and the evaluation of the implementation of government decisions.

[Kiss] Local councils often complain that, because of inadequate coordination of the central administration, they often find themselves opposing each other and the district and local interests and possibilities, as well as differing sectoral efforts. What does the Interior Ministry intend to do in order to change this situation?

[Horvath] There is a need for an efficient coordination of central measures that affect local councils. The Interior Ministry intends to contribute to this primarily by conveying the interests of local and district populations and the councils' concepts, and by participating in working out the regulations affecting the councils. For this, of course, there is also a need to provide legal guarantees. In the decision of the Council of Ministers concerning the tasks and sphere of authority of the Interior Ministry, a decision under preparation, we asked for authorization to make sure that ministerial orders and state secretary regulations concerning the tasks and sphere of authority of local council bodies can be issued only with our approval.

[Kiss] The propositions for further developing the system of political institutions were recently issued. These propositions include the formulation of a new law on local councils. What is your opinion on this?

[Horvath] In my opinion, a comprehensive reform of our system of political institutions is a timely task. Our concept and practice concerning the social and economic role and tasks of the state and its bodies also requires reorganization. In this framework, based on the considerable innovations of the recent 1 or 2 decades, we must deal with the development of the system of local councils. I have already mentioned this earlier. I am definitely in favor of formulating a new law on local councils! This is the legal precondition for accelerating the processes that are present today: emphasized dealing with local councils, a more complete assertion of their self-management role and independence, strengthening the role of the council bodies in determining and implementing the interests of the local population, and for widening the openness and democracy of local council activity. The Interior Ministry will work out the new draft law by including theoretical and practical experts and by submitting it to public debate. I think that we will have to confront our own concepts with others' concepts during really comprehensive social and professional debates. I am convinced that only such preparation can lead to the emergence of a good law that will adequately serve the long-term development of the local councils' activity.

Without Damaging Our Country's Security [subhead]

[Kiss] Newspaper readers and the public in general are always interested in the development of the main elements of public security: crime, traffic accidents, and fire. If statistics for 1987 are already available, can we have some more information on the state of affairs?

[Horvath] The main statistics are always available toward the end of January, but detailed processing will be completed only later. The crime situation is determined by an increase in the circumstances leading to crime and the conditions which have been causing crime ever since the beginning of the eighties. The changes in the area of production and distribution, the processes of economic restructuring, the more difficult living conditions for some strata of the society, the adjustment disturbances encountered by some young people, alcoholism, the loosening of family relations, parasitism, hoarding, and the spread of corruption, protectionism, and various other problems, all these have an effect on the loosening of citizens' discipline and the devaluation of our moral norms and values. At the same time, the international characteristics of crime have also become stronger, and dangerous new forms of crime have emerged. The police took action to curb behavior that harm the interests and rights of society and of individuals. So far, however, we have failed in halting the increase in crime. The number of crimes has increased and the unfavorable processes have become stronger.

The overall statistical data for 1987 show that there has been no basic change in the development of crime. Compared to previous years, however, the number of crimes increased at a slower rate, by 3 percent. A total of 188,397 crimes were committed in 1987. The number of offenses against individuals and against public and traffic order decreased in 1987. More crimes were committed in 15 counties and in Budapest, but fewer crimes were committed in Borsod, Gyor-Sopron, Szabolcs-Szatmar, and Somogy Counties. Crimes against private property continued to increase. Out of some 86,000 such crimes, close to 52,000 involved larceny and burglary. There were fewer violent crimes in 1987 compared to 1986. Police crime investigation organs conducted investigations in more than 200,000 cases. Out of 100 criminal investigations, 65-66 cases were successfully concluded, a good result even by international standards.

Compared to the increase in our public road traffic and to our own previous situation, I do not regard the safety of the public road transportation as unfavorable, but here, our position is no longer good. Some 20,000 accidents involving personal damage occur on our public roads annually, and some 1,500 of these accidents are fatal. There has been a decrease in the number of traffic crimes in recent years. According to the 1987 statistics, fewer traffic crimes and fewer cases of drunk driving were registered.

[Kiss] The effects of both favorable and unfavorable phenomena were, therefore, present in the development of public safety last year. What is the reason for the fact that the public is, nevertheless, judging the situation more unfavorably?

[Horvath] First of all, I think the reason for this is that, on a longer term, public safety deteriorated particularly in property safety and the order of public areas. This increases—and sometimes even exaggerates—the sense of danger. The citizens feel that a change has taken place in the internal structure of crimes, a change detrimental primarily to their own property and personal safety. Crimes committed against personal property make up half of the registered crimes, and the number of larcenies and burglaries is increasing in such a way that it is becoming the determining factor in overall crime. Today, there are almost 4 times as many cases of larceny and burglary as some 10 or 15 years ago, and this can cause insecurity in some of us and prompts us to wonder whether public safety today is as undisturbed and unprovokable as it used to be?

[Kiss] Long lines of people were waiting at police stations at the beginning of January 1988 for passports. Easing the conditions of travel is expected to increase the traffic. What can we expect at the border crossings?

[Horvath] Ever since the beginning of the seventies, tourism has increased sixfold, and is expected to continue to increase each year. All this is the consequence of our open tourism policy. Our border guards controlled

the entrance and departure of 56,304,000 persons and 15,889,000 vehicles at our border crossings in 1987. This traffic is the most ever and such a large number of tourists has never before crossed the Hungarian borders. Favorable travel conditions have been in force for Hungarian citizens since January 1988, travel conditions that have never been available before in our modern world. This situation has, no doubt, increased the interest of the people, and, indeed, many people were waiting in lines at police stations in January to have their passport issued. This increased number of applicants primarily affected the district police stations in Budapest's 1st, 2d, 5th, 11th, and 12th districts, and one or two cities in the provinces. We anticipated this and regrouped some of our staff to cope with the influx. I must, however, admit that, while our staff was able to cope with the influx generally all over the country, these measures proved to be insufficient in these few locations. Today, however, at the end of the month, the initial influx has already diminished, and I am sure that there will be no problems in the future. Besides, we have taken steps to speed up the border-crossing procedures. In accordance with our possibilities and means at our disposal, we wish to continue this activity in a way that the increased border traffic will not damage Hungary's security.

To Defend and Safeguard the Community and Individual Interests [subhead]

[Kiss] In the coming years what tasks will you push to be implemented?

[Horvath] Stressing some tasks is allowed only for the leadership of the ministry. For the apparatus engaged in implementation, every task is equally important because this is what the citizens expect from us. As to what do I, personally, pay attention to most during organizing the activity and managing? I have already mentioned the fact that it is the fundamental task of the Interior Ministry to safeguard and defend socialist values and achievements, and the interests of the community and of the individuals. In accordance with our authority, implementation of this task is possible only by guaranteeing order and legal security. In addition, and as I have already mentioned, our activity has been currently broadened with the addition of another role, an extremely important role from the viewpoint of our present and future, and we will further develop and increase our achievements in the framework of this new role. At the moment, we still do not have all the necessary means at our disposal to change the processes that are unfavorable for us, but we must be able to take efficient steps in our own area for the benefit of collaboration and further progress of our society. We must solve all these well and by serving the future with our short-term actions.

Nemeth Addresses Technical Professionals
LD021437 Budapest MTI in English
1318 GMT 1 Feb 88

[Text] Budapest, February 1 (MTI-ECONews)—Hungary will not request the rescheduling of its debts. To

avoid this, however, the country must finance interest payments from its own foreign trade surplus.

The latter cannot be achieved solely by accelerating economic growth, what's more, acceleration in the current economic structure would even increase indebtedness. Restructuring, cutting back of numerous activities and unpopular measures will be necessary, said Mr Istvan Kollarik, deputy minister of finance, at a conference for young economists held Sunday in north Hungarian Salgotarjan.

The deputy minister recalled that, for stabilization, the balance of payments deficit has to be reduced to 500 million dollars this year, and eliminated by 1990. (In 1986 the current account deficit was 1.4 billion dollars, in 1987 it was about 900 million dollars.) To this end, foreign trade surplus must reach 250 million dollars this year, 500 million in 1989, and 700 million in 1990. (The highest foreign trade balance surplus to date was 460 million dollars in 1984. Last year, convertible import surplus stood at 361 million dollars.) To meet these targets, the yearly export growth has to be 7 percentage points higher than import growth. This requires the cutting back of domestic consumption and the acceleration of restructuring, Mr Kollarik said.

Tamas Beck, president of the Hungarian Chamber of Commerce, added: The companies do have reserves to boost their export, however, wage-incentives should be reinstated in order to give them more encouragement.

In an address to technical professionals in Budapest, Mr Miklos Nemeth, secretary of the HSWP Central Committee in charge of economic issues, acknowledged that the scope of activity of efficient companies had not been sufficiently extended this year, and the inefficient ones received too large support still.

The senior party official stressed that results could be expected solely by strengthening the independence of companies and by returning to the 1968 goals of the Hungarian reform. The administration must promote viable processes through enhancing external economic activity, and it should not directly interfere in anything but the energy management, the infrastructure and welfare, with the rest left for the companies to cater for.

Without making the reform progress, a rigid economic policy will merely act to erode reserves and the Hungarian economy will be drifted to the periphery of the world economy, Mr Miklos Nemeth said.

New Ministry To Begin Operations 'Next Week'
*LD021430 Budapest Domestic Service
in Hungarian 1100 GMT 27 Jan 88*

[Excerpt] The Environmental Protection and Water Management Ministry will become operational by the end of next week. This was announced by Laszlo Marothy, minister of environmental protection & water

management, or KVM for short. KVM took over from the Ministry of Agriculture & Food the protection of areas not under the protection of nature conservation, while from the Industry Minister it takes over the task of organizing protection against radioactive pollution. Laszlo Marothy said the following about the details of the organization issues concerning the ministry:

[Begin recording] The creation of the ministry is in harmony with the change of the government. The Council of Ministers remains responsible for environment protection and water management. The creation of the new ministry will improve the distribution of labor. The concrete tasks of the reorganization are:

Maintenance of continuity is most important; it is enough to think of flood protection. The organization of the ministry will be established by the end of March, the regional organs will be formed by 1 July, and by the end of the year the transformation of the structural order of the enterprises must be completed. The new ministry will have a staff of 350—a staff reduction of 15%. The ministry's base will be in the building of the former National Water Affairs Office. [end recording]

Laszlo Marothy specially emphasized that the new ministry expects help from the several hundreds of voluntarily operating social organizations. The need is not for declared cooperation but for real cooperation, for there is, no doubt that the ministry will not be able to surmount its tasks alone. It is for this reason too that it is interested in the organization of environment protection on the level of society. [passage omitted]

New Partnership Form for Private Entrepreneurs
*LD021302 Budapest MTI in English
1229 GMT 2 Feb 88*

[Text] Budapest, February 2 (MTI)—A law decree passed this year allows private entrepreneurs to enter into partnership with state companies and cooperatives, bearing responsibility only with their contributed property. To date private ventures have been set up exclusively on the basis of the unlimited liability involving the total property of the parties.

At present about 50,000 small ventures operate in the country with over 500,000 members and employees. The majority are in-company work communities with a workforce of over 25,000. Private persons have formed 12,000 economic work communities employing more than 70,000 people, and about 100,000 people are active in specialized industrial and servicing groups. The number of civil law partnerships is also on the rise. Besides small entrepreneurs, about 150,000 private artisans and retailers are listed in Hungary.

The new measures give wider scope to the investment of private capital. To enhance the enterprising spirit of private artisans and retailers, the maximum number of employees has recently been raised from 12 to 30, and private pensions can receive as many as 60 guests instead of the earlier 30.

Lack of Interest in Company Shares Noted
LD021413 Budapest MTI in English
1345 GMT 2 Feb 88

[Text] Budapest, February 2 (MTI)—The 'employee shares', in fact investment trust shares, to be issued by Hungarian companies under a liberal government decree from this year onward, are not yet popular in Hungary. An employee share is a non-transferable security on which the issuer obliges itself to pay to the holder an annual dividend depending on the nominal value of the share and the pre-tax profit of the issuer. The dividend is subject to income tax.

As the employee shares purchased at nominal value are only available for, and negotiable among, staff members, and cannot be circulated on the securities market, they are similar to long-term bonds of variable interest rates rather than shares. They are strictly non-voting shares.

The aggregate nominal value of employee shares must not exceed half of the company assets. At most 30 percent of the shares can be given free of charge to the most qualified and/or distinguished employees.

If a share-holder leaves the company, he is obliged to sell the share to a colleague or the company.

The decree makes it possible for firms operating with foreign capital in Hungary to issue shares for their employees.

It is not only legal restrictions that discourage companies. After the initial interest, quite a few Hungarian companies realized that they were unable to issue and sell shares to their employees as the dividend they offered was smaller than the interest on fixed-rate bonds. For the lack of secondary market, holders can neither gain from rate fluctuations.

What is more, in view of the belt-tightening economic policy and the tax reform, companies are reluctant to make forecasts as to the expected dividend. Consequently, few companies have yet issued employee shares. One of them, the Electric Assembly Company (VIV), sold employee shares in the value of 33 million forints (about 700,000 dollars). On the average, employees bought shares for 50,000 forints (slightly more than 1,000 dollars). Buyers must have been attracted by the 20 percent dividend, which is between 5 and 9 percentage points higher than the average rate of bond interests. VIV expects share-holders to be directly interested in the success of the company, though their shares will not make them eligible to have a say in management.

Budapest Stock Exchange Operations Viewed
LD021438 Budapest MTI in English
1353 GMT 2 Feb 88

[Text] Budapest, February 2 (MTI)—On the second dealer's day of the emerging Budapest stock exchange Tuesday morning the turnover of bonds amounted to 47.5 million forints (about 1 million dollars) as compared to 100 million forints two weeks ago, banking sources told Econews.

Mr Zsigmond Jaray of the Budapest bank stressed that slackness had not been due to the lack of interest but to the fact that some companies in liquidity shortage had to conduct day-to-day contracts. This shows that the dealers' day should be arranged at shorter intervals, he said.

Over the past two weeks the value of bond transactions is estimated to have totalled 2 billion forints (42.5 million dollars).

As the first ever share transaction concluded Tuesday, the national commercial and credit bank sold its own shares at 120 points.

There was a keen demand for citizens' bonds but they were short in offer. Bankers believe the reason lies in the fact that people are unaware they can assign banks to act as agents for them.

"For technical reasons", the next dealer's day will be held in a fortnight. Details for this were not disclosed but sources close to the stock exchange committee told Econews that not all the members of the technical committee have been selected as yet.

Hungarian banking circles expect a brisk bond market this year, primarily on the basis of purchases by companies. The bond market was bearish in January, but financial experts believe it will turn bullish soon. Interest rates are to go up by 3 per cent this year, bankers say.

Budapest bank officials explain the lack of floating bonds and bonds with variable rates by the shyness of Hungarian companies. Incidentally, the Budapest bank was the first to guarantee the re-purchase of bonds. It undertook not to deal in unguaranteed bonds even on secondary markets. The Budapest Bank would like to conclude an agreement on a system of guarantees with the other financial institutions. This would replace the present state guarantee but would set even stricter conditions for issuers than the state did before.

Company surveys indicate that companies welcome the standardization of the bond market since they believe that it will grow as bank credits decline as a consequence of the credit squeeze of the central bank. However, they feel that with the lifting of state guarantees the bond market will be more risky.

An official of a building company said that up to now the liquidity of a bank determined the price of bonds, while now with the introduction of the system of information it will be more difficult to manipulate the market. Also, it is believed that other dealers should be allowed to be present at the dealers' day. (Now only the 22 signatories of the agreement can participate.

Others are of the opinion that the agreement gives the Ministry of Finance too much say in influencing trade. There are many companies that are afraid to lose their scope for speculation. Many companies gained extra profits last year merely by buying at the bank which had the lowest rates and selling at another which bought at a higher price. This will be more difficult to do in the future with the publication of average prices. This particular Hungarian arbitrage was made possible by the lack of information on the individual rates of banks.

Companies still complain about the lack of information on issuers and the present development, they feel, will not substantially change the situation in this regard. It is generally believed that the incomes derived from bonds, the profit from interest do not mirror the efficiency of a company but rather the way in which government regulations have or will have been changed according to preliminary rumours.

Television Competing With Satellite Relays

LD040947 Budapest MTI in English

0729 GMT 4 Feb 88

[Text] Budapest, February 4 (MTI)—Communication satellites pose a challenge to the Hungarian Television, which tries to keep pace with increasing competition. Even at present in some regions of the country ten programmes are available: the two Hungarian, two Czechoslovak, two Austrian, two Yugoslavian and one Soviet and a local relay station. Local cable television networks reach already 25 communities with more than 200,000 people. Early 1987 the Hungarian Post Office obtained licence for the reception and relay of the satellite-transmitted English-speaking Sky Channel and Super Channel and the French Channel 5 programmes: At present in 10 hotels some 3,000 rooms are equipped for the reception. The recently launched West German TV-SAT and the French satellite, to be launched in April 1988, will relay programmes available in Hungary. Some 95 per cent of Hungarian households have at least one TV set.

The Hungarian Television is transmitting more than 100 hours of programmes weekly. One-fourth of the programmes are films and 17 per cent political features. In the

total transmission time youth and education programmes have a 1/8 share, sports, re-plays and programme promotion 10.5 per cent, respectively, entertainment and musical programmes 9 per cent, and advertisements, publication education and drama 2-3 per cent.

The most popular political information and commentary programme of the Hungarian Television is the hourlong "week", broadcast on Sundays. TV newsreel provides summaries in 60 minutes daily and the first 30-minute edition reaches 4.5-5 million viewers. This programme has the highest popularity index, according to the polls. The weekly feature, "Studio", concentrates on cultural events and is widely popular among intellectuals.

As its European counterparts, the Hungarian Television wishes to place more emphasis on national style. They want to increase the current 52-55 per cent ratio of 'home-made' productions. Besides the domestic TV plays and films, reports on outstanding personalities of Hungarian culture and art are to be shown in the main programme time. The documentary board, which is just being organized, will focus on the actual social and economic problems of the eighties. Serials dealing with different periods of Hungarian history are planned along with films on the greatest figures of Hungarian music history. Channel 2 of the Hungarian Television, providing one-third of the total transmission time, will start day-long programmes in the second half of the year on the weekends. From 1989 day-long programmes will be transmitted during the week as well, increasing total transmission time to 130 hours a week. In 1989 the Hungarian Television will also start satellite transmissions for reception in certain regions of Yugoslavia, Romania, Austria and the Soviet Union.

According to managers of the Hungarian Television, development is hampered by the limited availability of funds. At present the organization employs a staff of 3,000 people and has a budget of 2,500 million forints. In 1986 one programme cost 7,600 forints. (That year 321,480 minutes of programmes were transmitted.) Most of the technical equipment have to be purchased from developed capitalist countries on an annual budget of 2.2 million dollars. Another 2 million dollars can be spent on materials (films, tapes, spare parts) which are not available in socialist countries. For the sake of development, incomes from advertisement and co-productions are to be increased to cover more than the current one-fifth of expenses. The interruption of programmes by advertisements is not being considered, although this is a practice with the sports programmes of the Hungarian radio.

State Department's Whitehead Continues Visit

Talks With Jaruzelski

LD031853 Warsaw Domestic Service in Polish
1800 GMT 3 Feb 88

[Text] Wojciech Jaruzelski today received U.S. Deputy Secretary of State John Whitehead. During the talks they exchanged views on relations between Poland and the United States, recognizing the need for their further improvement and full normalization, which is in the interests of both sides. During the talks much attention was also paid to the international situation and the need to improve it.

At the end of his visit John Whitehead told journalists:

[Begin Whitehead recording in English, fading into Polish translation] We did discuss the Jaruzelski Plan. As you know it is a plan for conventional disarmament in Central Europe. We find this plan very interesting, and we welcome Mr Jaruzelski's initiative as well as the interest of East European countries, the leading country of this region in the subject of disarmament. [sentence as heard]

It is good that these matters have not been left exclusively to the Soviet Union and the United States because conventional arms concern all countries and not just the superpowers. However, at the moment our interest in conventional arms is concentrated—in the words of General Secretary Gorbachev—in the area between the Atlantic and the Urals. This was agreed during the Reykjavik summit by President Reagan and the General Secretary of the Soviet Union. So we are more interested in talks about conventional arms than about regional affairs. But there will surely come a time when the Jaruzelski Plan will be the focus of attention when we discuss specific regional matters, when we discuss the implementation of the agreements. So we are all for further talks on the Jaruzelski Plan.

I have the feeling that there are to be discussions between the potential participants in such an agreement in the future. We hope that all these countries will continue to discuss this plan, that they will understand the complexity of the situation, and that they will propose specific solutions. [end recording]

Gives News Conference

LD032046 Warsaw Television Service in Polish
1830 GMT 3 Feb 88

[Report on news conference given by U.S. Deputy Secretary of State John Whitehead in Warsaw on 3 February; Whitehead speaks in English, fading into superimposed Polish translation]

[Text] [Unidentified announcer] This afternoon John Whitehead appeared at a news conference. He began with the following statement.

[Whitehead] As far as the results of the visit are concerned, I wish to emphasize that we have taken concrete steps in the right direction, acting within the context of the process of a gradual improvement in our bilateral relations, a process which has been going on for 18 months.

I know I came at a moment which is important for Poland. It is also an important moment in U.S.-Polish relations. We are developing a step-by-step process, a process of searching and finding areas of cooperation for our mutual benefit. We believe that this process has served us well and that we should continue in the same way.

Next week, for the first time in years, there will be a meeting of the joint U.S.-Polish trade commission. We are intensifying the dialogue dealing with economic and financial matters. We are developing the political dialogue. We wish to move forward from the step-by-step principle and on to a new stage. I have also stated that we wish to help in the implementation of the restructuring program for the Polish economy. We support the program of Polish economic reforms. In our opinion, it is following the right path. However, help can only be efficacious when all of society rallies around the reform program. I stressed the need for such unity in all of my talks.

[Announcer] The question asked of the deputy secretary of state by the television news concerned the immediate future of U.S.-Polish relations. We asked what, according to John Whitehead, would be the most important thing during the next 12 months.

[Whitehead] I think that the most important matter is to revitalize the Polish economy, and the United States is expressing its willingness to cooperate in this action to the extent it will be able to do so.

At the same time, the United States expects that all Poles will be in favor of the program for rebuilding the economy and will actively support it.

[Announcer] Another question addressed to the deputy secretary of state concerned the limitations which still apply to Polish exports to the United States and whether the United States envisions concrete moves, including the import-export bank credits, which could create conditions for expanding Polish exports.

John Whitehead said there were, indeed, some impediments in Polish trade with the United States, but the United States is ready to remove them if such impediments do, in fact, appear on our side. The next question concerned disarmament. We discussed the Jaruzelski Plan, said the deputy secretary of state; as is known, the plan concerns conventional weapons disarmament in central Europe. In our view, this is an interesting idea and we welcome this initiative; we welcome the attention attached by a leading country of Eastern Europe to the

issue of disarmament. This cannot be the exclusive province of the United States and the Soviet Union. Conventional weapons disarmament concerns us all, all countries.

Concludes Visit

LD031902 Warsaw PAP in English
1637 GMT 3 Feb 88

[Text] Warsaw, Feb. 3—U.S. Deputy Secretary of State John C. Whitehead today ended his five-day visit to Poland during which he was received by President of the Council of State Wojciech Jaruzelski and Political Bureau member and PUWP CC secretary Jozef Czyrek.

John C. Whitehead also held talks with Vice-Premier Zdzislaw Sadowski, Sejm Speaker Roman Malinowski and Foreign Minister Marian Orzechowski.

Gorbachev Book on Restructuring Published

LD021931 Warsaw PAP in English
1711 GMT 2 Feb 88

[Text] Warsaw, Feb. 2—Polish readers welcomed with utmost interest Mikhail Gorbachev's book "Perestroika and new thinking for our country and the whole world". The publication was issued by the PIW State Publishing Institute.

"The goal of this book—Mikhail Gorbachev wrote—is to directly share with the citizens of the whole world thoughts on questions which pervade everybody without exception. I wrote this book believing in their common sense."

In the second part of this momentous book, in the chapter entitled "Europe in Soviet foreign policy", the general secretary of the Communist Party of the Soviet Union wrote, among other things:

"Of course we cannot help being disquieted when we hear that 'the German issue' is open, that with the 'territories in the East' not everything is clear, while Yalta and Potsdam are 'unlawful'. Such statements, as it is known, are not rare in the FRG. It must said outrightly: statements about the rebirth of 'German unity' are by no means 'Realpolitik', to use a German expression. They did not give the FRG anything in the period of 40 years. Upholding illusions on the return of the 'Germany within the 1937 borders' signifies a breach of confidence in the FRG on the part of its neighbours and other nations.

"Whatever Ronald Reagan and other Western leaders say on the subject, in truth they have nothing real to propose to the FRG in the so-called German issue. That which has been shaped here historically, should also be left to history, including the problem of the German nation and the forms of the Germans' state existence."

"What is important now is the political aspect. There are two German states with different socio-political systems. They have their own values. Both drew lessons from history and each can make its contribution to the issue of Europe and the world..."

The book ends with the message: "In this upcoming century we wish freedom to dominate in every part of the world. We want the peaceful competition between various social systems to develop in an unconstrained way, so that it invites mutually profitable cooperation and not confrontation and the arms race ... the road to this leads through the striving for a world free from nuclear weapons and violence. We have stepped onto this road and we call on other nations and countries to step onto it, too."

The first practical step in this direction was the signing of the Soviet-American treaty on the elimination of intermediate and shorter range nuclear missiles.

Solidarity Prepares for Strikes in Wroclaw

AU031747 Paris AFP in English
1716 GMT 3 Feb 88

[Text] Warsaw, Feb 3 (AFP)—Underground committees of the banned Solidarity trade union Wednesday called on workers in three Wroclaw factories to be ready to strike in protest against massive price hikes this month, union sources said.

In response to the strike threat, the management of the three firms offered workers a bonus of 3,000 zlotys (9.4 dollars) a month. The government has promised Polish workers monthly compensations of 6,000 zlotys (19 dollars).

The workers in the three factories had yet to respond to the offer.

The Solidarity committees handed out hundreds of leaflets calling on workers to be ready for a strike, and protesting against the first of the price hikes on Monday, the union sources said.

The three firms employ a total of 13,000 workers.

The rises were the most drastic in Poland's postwar history, including a 40 per cent average increase in the price of basic foodstuffs and tobacco, and a 50 per cent rise in public transport, postal and telephone rates.

Jaruzelski Addresses Military Party Group

LD041039 Warsaw Domestic Service in Polish
0400 GMT 4 Feb 88

[Text] At a report back meeting of the staff of the basic party organization of the staff of the 1st Warsaw Mechanized Division, named after Tadeusz Kosciuszko, Wojciech Jaruzelski emphasized the importance of the consistent implementation of the tasks of the second stage of

the economic reform and of modern and resolute thinking in solving Poland's complex problems. Wojciech Jaruzelski is a member of that organization.

Deputy Premier Sadowski Queried on Economy
LD310340 Warsaw Television Service in Polish
1900 GMT 29 Jan 88

[Interview with Zdzislaw Sadowski, deputy premier and chairman of the Planning Commission, by unidentified correspondent on the "Government Monitor" program in the studio; date not given—live or recorded]

[Correspondent] Good evening. I greet you this time at 2000, as in the good old days. Why do I say as in the good old days? Normally when we speak of the past we say, for instance, that the good old days were when eggs cost 2 zlotys and bread 4 zlotys. In the studio we have Mr Zdzislaw Sadowski, Council of Ministers deputy chairman.

Mr Premier, how to describe the times that are approaching is always a problem. Are you capable of doing this?

[Sadowski] Those that are coming? Well, they will be times that are difficult, demanding effort from all of us, patience, and firm action. But this must be done so that better times will come. In the near future it is possible; it is within arm's reach. It is just that this must be implemented. On the other hand, I must here allude to your opening, for you referred to those good times. As I remember the start of "Monitor," I do not believe that those times deserve this term, that they were good. They were not at all marked by the fact that eggs were at 2 zlotys. On the contrary, the price of eggs rose to 20-odd zlotys, and everyone expected that it would rise to 50, but we were successful in avoiding this. As is known, this was due to the fact that the egg market became one of the first in which there developed, or started to develop, competition. But, those times were not good, they were times of the breakdown of the market, only from the start of reconstruction. We are in an incomparably better situation than we were then. It is just that this does not yet cause satisfaction.

[Correspondent] In light of that Mr Premier, I should have said I greet you as in the good old days, but with small exceptions.

Some say that hard times are coming, even very hard, too hard. On the other hand, others claim that wishy-washy times are coming, that we have lost 6 years. We started reforming the economy 6 years ago, and to all intents and purposes nothing has remained from those 6 years and we are starting as if from scratch.

[Sadowski] Well, first, this is the greatest nonsense that one can come up with, that we have lost 6 years. This transpires, such a term can only transpire solely and exclusively, from the fact that the situation which existed

6 years ago is not remembered. That was a time when there was no market at all, when there was nothing, when the lifting of the country's economy from a deep fall in production was beginning.

So there can really be no comparison. This does not mean that the present situation is good; it is still very difficult. But in comparison to the situation of 6 years ago—dear God!—that just does not bear comparison. Now, what have we lost. Well, in my opinion, we must not even speak like that. We have brought the level of the standard of living in Poland to a level higher than before the crisis, before the very profound breakdown of production; and we did this in completely different circumstances. By this I mean in circumstances in which we were very heavily burdened by the servicing of the foreign debt, whereas this very same level or perhaps even a slightly lower level of living in our country was, in the past, achieved while we had a very large foreign debt. [sentence as heard] So, please compare the following two facts: The fact that we have managed to do this means that it is possible to do something in our country—even in very difficult circumstances, in very burdensome conditions—whether the burden is the servicing of the foreign debt, which forces us to pay \$2 billion yearly as a partial payment of interest...

[Correspondent, interrupting] Yes, all right Mr Premier, but this is in the past. Now we have the second phase of the reform...

[Sadowski interrupting] But the repayment of the debt is part of the present...

[Correspondent, interrupting] [Words indistinct] but this is one of the factors. This is part of the past because we are talking about what happened 6 years ago and about what happened during that entire period. Today we have the second phase of the economic reform, a sensational [rewelacyjny] program and so on, and so forth. But this second phase and this whole program is not without its critics: The most serious reproach that I have come across just lately is the accusation that there is a lack of determination in the execution of the reform, a lack of consistency in its implementation. The present amendments, of course, which were introduced by the government after the Sejm session are, as it is being said in various circles, a way of making many original proposals for solutions absolutely wishy-washy. Could you give us your opinion of this point of view.

[Sadowski] Well, you know, saying that this is making things wishy-washy can only come from a source which has not taken the trouble to get to know the program or the implementation of it, however distinguished the body saying such things—that would be the only way to explain it. The situation is as follows: We have an implementational program for the second phase of the economic reform. We have had it for several months; it has been submitted to the Sejm and it is being implemented. We are in the 4th month of the implementation

of this program and we have already implemented many of the elements of those tasks which were to be fulfilled during the coming months. I will tell you what they were in a moment.

So that is one issue. Now the second one: Some of the amendments introduced into this program do not change in any way whatsoever the basic direction of this program....

[Correspondent, interrupting] Yes, precisely, Mr Premier. Let us tell each other what changes were made to the program as a result of the Sejm's suggestions so that we can be clear on this.

[Sadowski] All right. I will tell you in a minute. But I will start by stressing, once again, that the general directional concept of this program, the principle that we must bring about a change in the basic logic of management, that we must create an economic system which would be based on self-management...

[Correspondent, interrupting] [Words indistinct].

[Sadowski] Just a minute. This directional concept: Of the self-management of enterprises, of ensuring conditions for initiatives, for human enterprise, this concept has not been changed at all. This is the same directional concept, the same program; there is no new program. However, a factor of this program was, as is known, a certain concept of implementing a very radical change in the structure of prices and incomes, a very radical change. This change was presented to the people in the form of an explanation to the first question in the referendum. It contained, among other things, very serious price increases for all goods encompassed by official prices, and first of all prices of basic foodstuffs. In the referendum even this radical concept achieved very great support...

[Correspondent, interrupting] It had a majority [words indistinct]. Mr Premier, there is a widely held view that the reform, in order to be successful, must be radical.

[Sadowski] Agreed. So it achieved that. At the same time, however, the formal requirement necessary for the referendum to be valid was not met. Second there was broad public discussion preceding the referendum, too, which showed the public's fears, the fears of a considerable section of society in relation to this very radical formula; and the Sejm concluded (there) in assessing the referendum results that the very radical option could not be implemented. Now we can discuss whether this conclusion is the right one or not; but we are bound by it, by this decision in this situation. Personally, I can support the more radical trend, but economic and social policy cannot be based exclusively on purely economic premises, because there are social premises, social fears, uneasiness about the standard of living being maintained. There are very important premises which have to be taken into account, thus those were the reasons why

we received the recommendation to present a milder version, not of the whole program, but just of that factor, that group of measures in the prices and incomes area.

[Correspondent] Premier, sir, I beg your pardon. Despite the Sejm's recommendations, which are binding on the government, I as a supporter of very radical solutions will not retreat from my radicalism and from my views. If I may, I want to quote an excerpt from an article in *POLITYKA* in November of last year, by Zbyslaw Rykowski and Wieslaw Wladyka. They wrote: The rate at which the reform is introduced is an important factor in itself. If it is too slow, it exhausts the reforming forces; it robs the concepts of attractiveness and credibility; it permits defensive attitudes and adaptive behavior to take shape. It gives rise to a feeling of uncertainty and transience. Were these types of fear taken into account by the government and the Sejm?

[Sadowski] Well, not deprecating both men, the authors of this beautiful encapsulation whom I esteem, I wish to say that this evaluation was very widespread. *Inter alia*, even before the 10th party congress in the POLISH ECONOMIC SOCIETY'S standpoint we read exactly the same, only this specification that the reform cannot be introduced too slowly relates as if to the summing up of these first years. From this was born the concept of the second stage—that is, a significantly more accelerated introduction of those guidelines, which were the point from the start. To do this, we worked out an implementation program, which is comprehensive and includes a whole host of varied activities—as I say already implemented for 4 months—prepared in a complete range, in accordance with the timetable, as this of course demands very careful preparation for introduction in every aspect. Only one chapter of this whole program, which is composed of 14 chapters, is devoted to the matter, and that is only partly, to the topic of the shaping of the prices and incomes structure. This is a very important element, one of the relevant segments. Why relevant? Because we must bring about a rational arrangement of prices, one that would force and encourage an economic usage of raw materials, energy and all resources in general. For rational management. We do not have such a system of prices. This is the most straightforward matter, we have to get to it. Now this causes in its wake these certain unpleasant aspects associated with the necessity of increasing prices, as this cannot be attained in any other way. We would have to decrease wages in turn, which is never done. So, the point here is not just the increase itself, but the adaptation of the structure, the change of the structure. We will increase the prices of fuels and energy most, because this is demanded for a rational economy. Over and above that, we have a price arrangement at the moment composed in part of official prices specified by state decision, and in part of prices that are formed to some degree by the market. We want to get to a system of prices that is formed exclusively, or almost exclusively, by the market. So, we also want to get there in this direction, to gradually depart from official prices. That is the desire. For the time being, there are many

things that must be simultaneously implemented, for this is the point. From that point of view, from the purely economic side, it would of course be better if it were to be done in a very radical way.

[Correspondent] Indeed, Premier, sir, I remember—excuse me, I beg your pardon—that you, as one of the catalysts for economic reform years ago—today we can say one of the most responsible people, in fact the first person responsible in the republic for the economic reform—were a supporter of very radical solutions. You even put it very beautifully: That an organism which is cut slowly—you meant during surgery—suffers a great deal. There must be a radical operation, in order to sew it all up, in order for it to heal quickly and to finish with it, so that the patient will stop suffering.

[Sadowski] That is what I said. I do not deny it and I maintain that that is how it is, ideally. On the other hand, at the same time I said that the surgeon has to ask the patient if he wants this kind of operation. If the patient does not, then we have to look for another way of healing.

[Correspondent] And let him suffer, Premier, or what?

[Sadowski] Of course, he has to suffer; well, you must do as he wishes. You must not run away from him saying: Well, if that is how it is, then I will not cure you. One has to do something else and we are trying to do that, without giving up—as I said—any of those targets. So, in view of this, what is being modified? Well, the only thing is that this alleviation, this slowing down of the process of adapting prices has taken place. This is no small thing but it does not change the whole program at all, for we will try to put it within this timeframe. Of course, certain delays in price adaptations, in reducing the radical nature of this part of the program entail the need for certain consequences, directly linked with these sectors. For instance, we cannot implement what we had in kind too quickly—in other words, retreating in a considerable area from that excessive range of subsidies of various goods, that is to say the flow of assets through the state budget. We want to reduce that, but it is not possible to do it so quickly. That is to say, we are going to do it, but somewhat more slowly.

In light of this, neither can we do what we wanted to do quickly—that is, reduce the rate of taxation—and these are very serious consequences.

[Correspondent] Exceptionally serious, ones of which we are not aware from day to day. These consequences will rebound on the whole economic system.

[Sadowski] Well, this is only one element. The other is such that we especially cannot delay all the remaining elements of this program that do not directly depend on price transformations. Only, all these matters relating to organizational and institutional changes, the preparation of the way for initiative, enterprise—this must be done

even more quickly. Well, let's say, one of an array of things has already been done in the (?program of the) previous period. I recall that the first such great act or set of actions was the matter of the reconstruction of the state administration, which has a momentous significance because this completely changes the range and means of comprehending the competence of government bodies in the area of directing the economy.

[Correspondent] If the question is of a change in consciousness, Mr Premier...

[Sadowski, interrupting] Well, this is...[passage indistinct as interlocutors speak simultaneously]

[Correspondent] This is the first step, of course.

[Sadowski] All right, but are we not doing something because of this?

[Correspondent] Of course.

[Sadowski] What? We have reduced, marvellously, the range of the obligatory mediation in materials supply. We have created completely new regulations facilitating the development of agency activity, on the basis of long-term agreements—on the basis, on the principle, of freedom to undertake this activity in all areas of, almost all the areas of the economy, for all enterprises where employment does not exceed 50 persons. We are developing the possibilities for work to be contracted out. All moves have already been carried out, and there is a whole array of these moves ensuing from the preliminary plans. Now the problem only rests on the fact that these moves which I am describing are very important in the sense of systemic changes. On the other hand, they do not cause direct results for the citizen. This is our problem, that the citizen easily forgets that the program presented to him in the referendum is a program for 3 years (?and beyond). There was mention of 3 difficult years. The difficulty does not consist in belt-tightening, but in passing through that period of consistent effort. That is (?what).

[Correspondent] The programs, or the elements of programs, directly felt by the citizen will be the price increases. That will probably be how it is received, because this is felt...

[Sadowski, interrupting] Yes, that's how it has to be... [passage indistinct as interlocutors speak simultaneously]

[Correspondent] I'd like to stop you for a moment longer, Premier, at prices and incomes policy. I must say frankly that what the government proposed at the beginning—that is, Z1,750 compensation for everyone, whereas for 80 percent of the remaining sum it is a question of earning it [wypracowanie], and 80 percent of the amount depends directly on the results of work, on work productivity, qualifications, etc—I was really in

favor of that. On the other hand, I was very disappointed, and many of my acquaintances were, too, that the government bowed to pressure from various forces and decided after all on compensation of Z6,000 for everybody equally.

[Sadowski] First, the government didn't bow to anything. Second, the government is not compensating for anything, because there are no such assets. All the assets we have for anything at all are assets which we must manage jointly, together. A fundamental error in looking at this situation is a sort of dichotomy: here, the government; here, society. The government has something...

[Correspondent, interrupting] [Words indistinct]

[Sadowski] All right, all right; but this is a fundamental issue.

[Correspondent] Of course.

[Sadowski] It's not that the government has something and will either give it or not. That is a mental conjuring trick, the government has nothing. The government is only instrumental in adopting some principles for dividing up what we all produce together, principles possible in given conditions. I would draw your attention, Mr Editor, and all of you viewers, to the fact that the government is the only group of people in Poland which must—it is its duty—adapt all the solutions to the real conditions. All other groups can just demand, isn't that so? Help here, help there, add here, for investment here, for wages there. They can make their demands, and the government is there. It is its duty, its difficult duty, to cut the cloth to suit the conditions. One has to realize that there is a terrible number of contradictions in those demands, in those expectations.

Some do not want food prices to be increased, only to subsidize them from the budget, and others want—and in my opinion they are right—food prices increased so that they will be rational and so that it is not necessary to subsidize them, as subsidies lead to various sorts of distortions. But there has been so much talk of this that I will not pursue it still further. In any case, it is important that we realize that the point is that there be no contradiction. What is the point at hand? We have such a situation, we have agreed, let's say, or most Poles understand, that prices must be adjusted to conditions; that is, not to increase all prices identically, only their structure. Let's say that we understand this. Now, where does our problem lie; what, in fact, most agitates our minds? Not the fact that prices must be increased, for we are not going to argue about what a kilogram of this or that is to cost. It's just that there [words indistinct] and fills with trepidation the fear around the matter of whether we are going to lose from this, whether our standard of living will suffer. Well, that is exactly what we are trying to avoid. In light of this, methods are being sought to ensure the standard of living that has been obtained. We reply thus: We are putting one thing out of

bounds: We do not at all intend to compensate for anything here, and that is a social accord, and that is the rise in the prices of alcohol...

[Correspondent, interrupting] Cigarettes.

[Sadowski] And tobacco products. On principle, programmatically, we will not be compensating for this, as the point is to reduce demand for these products. We are already reducing production this year, and we will continue to do so. This is necessary for social and health reasons; this is recommended to us by the antialcoholism commission, etc. The commission is even unnecessary, as we are all probably aware how necessary this is.

On the other hand, as far as the rest is concerned, we are doing everything possible to ensure that the level of real income for all population groups is maintained—the average level, for this unfortunately cannot mean that this would automatically ensure the same level for every Polish citizen. Why not? Well, simply because the whole point is to achieve a motivational differentiation in incomes. Surely it is right to expect that he who works in a good enterprise and works well should be able to earn a lot of money, and that he who works badly should earn little. After all, that is what we are after, not that everybody should have the same.

[Correspondent] So at first the government proposed, Mr Premier, that all should receive compensation of Z1,750...

[Sadowski, interrupting] Yes, at first the government proposed that we accept the principle of an automatic compensation only for the rises in official prices.

[Correspondent] That is so.

[Sadowski] Since this was calculated on the basis of a radical variant, the compensation would have been somewhere about Z7,000- Z8,000...

[Correspondent, interrupting] What about the modification?

[Sadowski] I am talking about (the situation) before the modification because this is important. Using exactly the same method of calculating, and bearing in mind the modification, along with a remarkable reduction in the rise of official prices, gave us this unfortunate total of Z1,750 which we immediately said was not a good figure since it is too low. It does not show...

[Correspondent, interrupting] [Words indistinct]

[Sadowski] Well, of course. Unfortunately the whole trouble was that this figure became widely known, which is something that should not have happened since another proposal had immediately been put forward. I mean that another proposal was prepared: that we should go on to the figure—at first, that of Z5,000 then

finally Z6,000—and that that should be automatic compensation. Well, not really a compensation, for what is compensation; it is altogether the wrong word. Can I compensate myself for something? After all, we are to pay ourselves something. It is not a question of compensation, but just maintaining the level of real income on an average scale. So the principle is like this: Everyone ought to get that Z6,000, right? Besides, they should get whatever the enterprise can manage in addition.

[Correspondent] While before the idea was that everyone ought to get Z1,700...

[Sadowski, interrupting] The idea was that everyone ought to get the basic basket, and besides that, whatever the enterprise can manage.

[Correspondent] (?But) when we calculated the Z1,750 [figure as heard], we...

[Sadowski, interrupting] The basic basket of [figure indistinct] plus...

[Correspondent, interrupting] Plus what the enterprise manages in addition, and that was more of an incentive because in this situation we give everyone Z6,000 each...

[Sadowski, interrupting] Undoubtedly, the best incentive of course would be if they (?got) everything from the enterprise.

[Correspondent] Yes, quite.

[Sadowski] And less of an incentive, if everyone got the same.

[Correspondent] Yes. [passage indistinct as interlocutors speak simultaneously] For after all, what we are doing is against the intention of the reform, to some extent.

[Sadowski] What does that mean: against the intention? I would not abuse this definition because reform is common sense, right? Everything that is in keeping with common sense is in accordance with the intention of the reform. (?Is) the fact of ensuring, nevertheless, a certain minimum, a decent minimum for the adaptation to the price changes—for everybody, right?—is that in keeping with common sense? This is still currently arousing anxieties in some groups, but basically this is being (?met halfway), whereas one cannot renounce that incentive aspect.

[Correspondent] Our 30-minute talks could be the first part of a long conversation.

[Sadowski] Is it a half an hour already?

[Correspondent] Yes, half an hour already.

[Sadowski] Good heavens, how time flies!

[Correspondent] Yes, talking about great, terribly significant issues. But I should like us to return to the beginning. We said at the beginning that times are approaching which are certainly not worse but difficult, difficult and interesting; perhaps, in the future, better than the times which are behind us.

In conclusion, I would like to ask you a question: A few years ago when you were the coauthor of the first drafts for reforming the Polish economy and when you were the deputy chairman of the Council of Ministers responsible for the implementation of the second stage of the economic reform, did your conception of the reform at that time correspond to what is happening in Poland today?

[Sadowski] This is a difficult question. I would say that, to a large extent, it does since I did not have any doubts, not for a moment, as to the fact that we are faced with a very difficult, complex process which necessitates action in various areas, among them the most difficult area, which you mentioned. That is, the restructuring of customs and mores. That is, forcing people to abandon habits which they have accumulated and which are linked to the old system. I was aware of all this. On the other hand, of course, I did not expect all these responsibilities to fall upon me, because I imagined that I would be doing no more than helping, and yet now the range of my responsibilities has increased.

[Correspondent] So one can say that you are totally in favor of what is happening today in Poland. Of course, I mean as far as the economic reform is concerned?

[Sadowski] Just a moment. In favor of what is happening, that is in the program sense...

[Correspondent, interrupting] Yes.

[Sadowski] Of course, I am in favor. However, this does not mean approval for actions which occur in many areas of our life since they are made up of all sorts of things which are totally pathological and which this very program...

[Correspondent, interrupting] Mr Premier, what I had in mind was just that area for which you are responsible.

[Sadowski] I am involved, I am totally in support, but I must say at once that one must look at this with some humility. After all, the program is not ideal; the program is open to all sorts of improvements and enrichments, all the time; and it will remain so, even after its approval by the Sejm. The program is so construed that it contains [words indistinct] a certain action timetable, a list of tasks, but its main life begins later. It begins when one sits down and works out the programs of introducing the various factors. That is its main task, which is always to be fulfilled. Here there is, absolutely, a full possibility for the further enrichment, improvement, and perfecting of the program.

[Correspondent] Or vice versa.

[Sadowski] Well, all right, but I am expecting the first variant.

[Correspondent] Professor, thank you for this conversation. I hope that we shall soon meet again in the "Government Monitor" studios.

Czyrek Addresses Ostroleka Party Plenum
AU031700 Warsaw TRYBUNA LUDU in Polish
30-31 Jan 88 p 5

[Report on speech by Jozef Czyrek, PZPR Politburo member and Central Committee secretary, at the 29 January of the Ostroleka Voivodship PZPR Committee plenum for discussing the economic reform]

[Text] Speaking during the plenum, J. Czyrek stressed that the economic reform will not succeed without the party, because the reform depends not only on various measures, but primarily on changed thinking and attitudes. The party, he said, must not ignore the factors that determine people's attitudes, because it is man who is the chief motive for party activities.

We still continue to carry much of the old ballast, he said, and we must get rid of it. People are right to keep asking whether the economic reform will be realized consistently, because they know that pressure to slow it down by granting various exceptions, concessions, and so on is already being exerted. If we fail to be consistent, the reform will not produce the necessary social and economic results.

Our reform, J. Czyrek continued, has coincided with the equally important sociopolitical reform of our state structures. We continue to develop a system of socialist democracy, the main feature of which is self-government. The point is for people to help make decisions and to take responsibility for them. Speaking of the coming campaign in connection with the elections to the people's councils, J. Czyrek said that the most important thing for the people's councils is to be genuine masters of their areas and not an "embellishment of people's power and democracy." People who are able to determine the success of reforms should be elected to these councils.

Changes in Law on People's Councils Proposed
LD021436 Warsaw PAP in English
1825 GMT 29 Jan 88

["Proposed Changes in Law on People's Councils (Abridged)"]—PAP headline]

[Text] Warsaw, Jan 29—The Council of State, in agreement with the Council of Ministers, submits for nationwide social consultation the "Guidelines for Changes in the Law of July 20th, 1983, on the System of People's Councils and Local Self-Government."

The main purpose of the proposed changes is further strengthening of people's councils, as local organs of the state authority and self-government.

Changes leading to the strengthening of the position of people's councils would be introduced in two stages. The first stage would see new solutions introduced which do not require changes in the constitution and are not dependent on other subsequent legislative decisions but strengthen the self-dependence of the councils through, among other things, granting them the rights of legal persons in the civil turnover.

The second stage, which requires amendments in constitutional provisions, will introduce, among other things, regulations connected with the separation of self-governmental property in the form of communal property.

The proposed changes are to reinforce people's councils as organs of the local self-government through:

1. Strengthening the financial basis for independent activities of people's councils,
2. Creation of stable principles of work of local economy,
3. Strengthening the systemically superior position of people's councils over the local organs of state administration,
4. Strengthening the people's councils of the basic level (rural communes and towns),
5. Strengthening the position of the self-government of the inhabitants of towns and villages and its activation,
6. Strengthening the legal position of the local council member,
7. More precise definition of the functions of the local organs of state administration and their offices,
8. Supplementing and concretization of the existing legal regulation in accordance with the practical experience.

The consultation will be followed by a draft of changes in the law on the system of people's councils and local self-government, as well as some other related acts, such as the budget law, the law on social and economic planning, on local planning, on land management and expropriation of land estates.

The Council of State, together with the Council of Ministers, will thoroughly analyse the consultation outcome and will publish it alongside with their viewpoint. Remarks and proposals forwarded during the nationwide social consultation will be examined and used during the preparation of draft changes in the legal regulations and, together with those drafts, will be sent to the Polish Sejm.

Jaruzelski Chairs Consultative Council Meeting
LD291408 Warsaw PAP in English
1310 GMT 29 Jan 88

[Text] Warsaw, Jan 29—The consultative council of the president of the Council of State holds its 6th meeting at the Belweder Palace here today. The meeting is presided over by Wojciech Jaruzelski.

The main topic under debate, according to previous announcements and wishes of the council members, is the policy on cadres. The discussion was started by reports of the Council of Ministers office's chief Michal Janiszewski and chief of the Council of State's chancellery Jerzy Breitkopf.

In the first part of the meeting the Council acquainted themselves with a report of Vice-Premier Zdzislaw Sadowski, himself a member of the Council of modifications and supplements inserted in the draft implementation programme of the second stage of the economic reform.

The agenda also includes information about the way the Council of State may use the remarks forwarded in the discussion on the guidelines for changes in the electoral law to people's councils.

Former ZMW Head Ousted From PZPR Commission
LD301134 Warsaw PAP in English
0008 GMT 30 Jan 88

[Text] Warsaw, Jan. 29—PUWP Central Auditing Commission (CKKR) held its plenary meeting here today with a focus on the commission's tasks in the process of reforming the economy and democratization of the socio-political life in the light of the 6th PUWP plenum. The debates were presided over by CC Political Bureau member, Chairman of the Commission Wlodzimierz Mokrzyszczak.

The plenum reviewed organizational matters in connection with the sanctions of censure and caution applied by commission against former chairman of the Rural Youth Union ZMW Leszek Lesniak. The plenum reported the expiry of his seat as a CKKR member and found him responsible for the lack of supervision over the "Agrotechika" company, which—it said—led to pay deviations and negligence of legal regulations by the company, particularly the financial ones. The commission also said Lesniak protected people responsible for the irregularities. This morally harmed ZMW and the idea of the working out of means for the organization's statutory activity.

DZIENNIK LUDOWY Views Oil Crisis
LD021409 Warsaw Domestic Service in Polish
0730 GMT 2 Feb 88

[Text] In connection with the reduction in the price of crude oil in the world, a period of real prosperity has begun for refineries, DZIENNIK LUDOWY writes. In the meantime, the oil crisis in Poland deepens even more. Has not the time come finally to increase imports of crude oil, even if hard currency is at stake?

The newspaper put this question to Marek Pawelczyk, director of the Gdansk refinery. The paper's interlocutor confirmed that crude oil is cheap and that the low price will be held for 5 or 6 years. He added that Polish authorities are aware that more should be imported, but this is not so easy. It is not just a question of hard currency. The depreciation of the refineries in Poland, which is taking place too quickly, is a great obstacle, as well as the number of them, which is too small to satisfy the growing needs for that raw material and its products.

For all those needs to be fully satisfied, Ryszard Cygan, deputy director of the Petrochemical Association in Krakow, told DZIENNIK LUDOWY in turn, three refineries processing 3 million tonnes of crude oil annually would have to be built by the year 2000. However, the program of the Council of Ministers Planning Commission has planned to build only two refineries by the year 2000.

Present Pace of Debt Repayment To Continue
AU021318 Bucharest AGERPRES in English
0844 GMT 2 Feb 88

["A High Rate of Accumulation—a Priority in Romania's Development"; AGERPRES headline]

[Text] Bucharest, AGERPRES 2/2/1988—In the ongoing five-year period, spanning 1986-1990, the attainment of the strategic targets concerning Romania's development—the intensive growth of industry, of agriculture and of the other sectors of activity—provides for the further allocation of 30 per cent of the national income to accumulation. As a matter of fact, the country's entire socioeconomic development in the current decade relies exclusively on all home material and financial resources. As is known, with the international credit turning from a factor apt to encourage stepped-up development into a lever allowing the international financial-banking capital to dominate and oppress other peoples, and providing for the redistribution of the national income in favour of the great monopolies. Romania has no longer resorted to credits to aid its development. Furthermore, it will work to pay off its foreign debt as soon as possible. To attain this target of national importance additional efforts are made to mobilize the country's own material and financial resources, to boost the growth of the national income. Under the newly-created circumstances, the national income is distributed to accumulated and consumption only after the share intended to pay the foreign debt, that is the equivalent in lei of the credits and of the interest charges in foreign currencies, as stipulated under the balance of incomes and payments for the respective period, has been deducted.

The Romanian experience, the results scored in the country's economic and social development attest to the correctness of the option for the allocation of a high percentage of the national income to development. Consequently, the volume of fixed assets is worth 3,200 thousand million lei at present, with 80 per cent of them achieved in the last 22 years, and the national wealth amounts to roughly 5,000 thousand million lei.

The experience acquired by Romania and other countries shows that the consumption fund depends on the volume of the national income, the proportions of enlarged reproduction, the potential of accumulation and the national income. The policy of allotting a significant share of the national income to enlarged reproduction virtually meets the needs of both the present and future generations. Economists show that if the dynamics of the national income, of the accumulation and, respectively, consumption fund for a 20-year period (1966-1986) were analysed, considering a real hypothesis—a rate of accumulation of 31 per cent—as well as another three hypotheses, in which the share of accumulation stands at 25, 20 and, respectively, 15 per cent, the clear conclusion would be that the consumption fund would have been 24 per cent lower in the case of the

20-per cent hypothesis and 44 per cent lower in the case of the 15-per cent hypothesis. Furthermore, the national income would have been 50 per cent below the existing one in the case of the last hypothesis. The accumulation fund would have been correspondingly diminished and so would the volume of investment and the value of fixed assets put on line.

That the population's incomes in the ongoing quinquennium, which knows complex conditions, can be increased by 8-10 per cent instead of 6-8 per cent, as stipulated under the plan endorsed for the 1986-1990 interval, is one more confirmation of the correctness of the policy of earmarking a substantial share of the national income for development.

The attainment of the strategic target concerning Romania's turning into a medium-developed country until 1990 essentially relies also on the furtherance of the policy whereby roughly 30 per cent of the national income is allocated to development both in the current five-year period and beyond, to the 2000's.

PEC Adopts 1987 Plan Fulfillment Communiqué
AU031824 Bucharest AGERPRES in English
1805 GMT 3 Feb 88

[Text] Bucharest AGERPRES 3/02/1988—Gathered on February 3 under the chairmanship of the general secretary of the Romanian Communist Party, Nicolae Ceaușescu, the Executive Political Committee of the CC of the RCP analyzed and approved the communiqué on the fulfilment of the single national plan of socioeconomic development of the Socialist Republic of Romania.

Debating this document, the Executive Political Committee appreciated that new and important achievements in the country's socioeconomic development had been scored in 1987. In this period the productive forces continued to develop and Romania's economic potential increased. New progresses were made in industry for its modernization and intensive development, and for a higher competitiveness of Romanian products on international market. The year 1987 saw the biggest cereal production in Romania's history despite unfavorable weather conditions. Outstanding achievements were scored in the other domains of activity as well.

The party policy of harmonious development of all the counties and localities was consistently promoted in 1987, too, equal working and living conditions being thus provided on this basis for all Romanian citizens, as well as the general rise in the entire people's living and civilization standards.

The Executive Political Committee underscored that the achievements in 1987 highlight once more the correctness and realism of the Romanian party and state policy, the entire people's determination to translate into fact the targets set by the thirteenth Congress of the Romanian Communist Party.

The communique on the fulfilment of the plan for 1987 is to be released.

Next, the Executive Political Committee analyzed the way in which the plan for January was fulfilled, as well as the measures for the fulfilment of the provisions of the plan for February and for the first quarter of 1988.

During the meeting it was stressed that better results were scored in January as to the same period last year. Nevertheless, shortcomings were still manifest in a series of domains due to which the achievements did not match the possibilities, the powerful technological and human potential of the national economy.

In consideration of this situation President Nicolae Ceausescu demanded that all conclusions be drawn from the activity carried out in January and further, more responsible steps be taken for a proper organization of production and work with a view to fulfilling the plan for the ongoing month and for the first quarter of 1988 in the best conditions.

The government, the coordinating councils per branches, the ministries, central departments, all economic units were recommended to take firm measures to rhythmically fulfil the plan in industry, while paying special attention to the fulfilment of the task set in the power, mining and oil domains.

At the same time, it was demanded that most responsible measures be taken for the manufacture of the production meant for export, for the timely delivery, in conditions of high quality, of the entire commodity stock provided for in the contracts concluded with foreign beneficiaries.

The party general secretary stressed that work should be intensified on investment projects concomitantly with construction-assembly operations. He requested that work be carried on in all the branches of the national economy for the strict observance of the norms set and for the further lower consumption of raw and subsidiary materials, fuels and energy, for the liquidation of surplus stocks and the settlement of all the questions regarding the ensurance of the technical and material groundwork necessary for the fulfilment of the plan, for the performance of high-quality and high-efficiency activity.

The RCP general secretary assessed that everything was in place for the plan—for February and the first quarter of the year—to be fulfilled expressing his belief that the party bodies and organizations, the Communists, and all working people would do to their utmost to attain the targets set for this year, to carry into effect the resolutions of the Thirteenth Congress and of the National Conference of the party.

State Council Decree on Amnesty Published
AU031751 Bucharest SCINTEIA in Romanian
27 Jan 88 p 3

["Decree of the State Council of the SR of Romania on Amnesty for Certain Crimes and on Reduction of Certain Sentences"; adopted at a joint meeting of the PEC of the RCP Central Committee and the State Council of the SR of Romania, in Bucharest on 26 January]

[Text] Decree on Amnesty for Certain Crimes and on Reduction of Certain Sentences

The State Council of the SR of Romania decrees:

Article 1. All crimes with prison terms of up to 10 years inclusive are amnestied.

Article 2. All prison sentences of more than 10 years passed by the courts are reduced by one half.

Article 3. Death sentences passed by the courts are commuted to 20 years in prison.

Article 4. The committees or executive bureaus of people's councils, the labor and social security bodies, and the managements of socialist units will take steps to find employment for the persons enjoying the benefits of the current decree provisions and will supervise their integration in the working collectives to which they are sent.

Nicolae Ceausescu, president of the SR of Romania

People 'Living in Poverty,' SFRY Paper Says
AU022011 Belgrade BORBA in Serbo-Croatian
29 Jan 88 p 8

[Report by Milovan Jaukovic, BORBA special correspondent in Romania: "Life on the Black Market"]

[Text] Bucharest, Jan [dateline as published]—Official Romanian statistics and propaganda point out the dazzling growth of the social product and constant increase in the people's standard of living every year. These achievements in the era of socialist buildup are supported here by impressive data: industrial production, for instance, has increased 120 times, agriculture 9 times, national income 32 times, and the number of working posts has doubled.

It seems that in the circumstances in Romania statistical data are one thing and reality something entirely different. This is because the Romanian people are now living in poverty and in extremely harsh conditions, too harsh for a country in which greatest emphasis has been constantly placed on the successes. This situation is not only because of the extremely drastic measures for saving electricity and natural gas, but also because of the fact that people are facing elementary food problems, because of the constant shortage in basic food items and consumer goods.

The Exhibition of Cans [subhead]

Officially, inflation does not exist in Romania, and prices have not been changed in the last 5-6 years. The main argument is that basic food items are extremely cheap. Unfortunately, for years, they usually have not been available or, if they have been available, then only in very minimal quantities. Sugar, flour, edible oil, bread, rice, various kinds of fruit and vegetables, and meat have been scarce for years. The belt-tightening started in 1981, when the entire economic policy was centered on repaying foreign debts. Since then, anything that could be exported has been exported to hard currency markets. The last hole on the belt seems to have been buckled at the end of last year and that was undoubtedly the main cause of the well-known events in Brasov and some other places.

One cannot officially learn about the relation between the exported agricultural products and their overall consumption. It is for that reason that some analysts express doubts about the report on the last year's record grain crop of 32 million tonnes. For, according to evaluations, if this were the case, Romania would be able to feed half of Europe and sufficiently meet the demand on the domestic market. This is also one of the main reasons that the shortages are blamed not only on the exporting at any cost, but also on certain mistakes in the development plans.

Whatever the reason, shop windows in Romanian towns are the real picture of the situation and circumstances. After visiting several towns and villages, the BORBA correspondent got the impression that Brasov is one of the places in Romania with best supplies. This, of course, is seen from the Romanian point of view. Whatever the reasons, bread is no longer a rarity in this industrial town, one can find a little meat, milk, eggs, some vegetables, even mineral water, which is normally sold only in special shops for foreigners. In almost all villages and towns, even in Bucharest, food shops resemble, as Romanians would wittily put it, exhibitions of cans. Thousands and thousands of cans, mostly of peas and beans, with expiration dates long past have been stacked in the form of pyramids in shop windows and shelves. One can sometimes find bottled fruit juices imported from Bulgaria.

It is claimed that supplies are somewhat better. There are some more vegetables in the markets and apples and pears too.

Cakes in Abundance [subhead]

Even if there is not enough bread, Bucharest cake shops have an abundance of cakes and of various kinds of cakes at that. Although such a discovery causes associations of times long past and of certain historical personalities, what is involved, it seems, is the desire to

preserve the craft for which this town used to be very famous—it was called "little Paris"—and therefore there must be flour, sugar, butter....

The shops selling household and electrical appliances and stereo equipment are well-supplied. However, hardly anyone enters them. And why would anyone do so? Shoppers are also rare in shops selling ready-made clothes and shoes. A decent man's suit costs an average of 2,000 lei, a dress 2,000-3,000 lei, and shoes 500-600 lei. For an average Romanian with the average wages of 3,018 lei [a month] or a pension of 1,800 lei (the lowest pension is 300 lei) this is too expensive.

The so-called ordinary Romanian citizen is forced to do everything he can think of to alleviate the shortages. All roads most frequently lead to the "black market." Unlike the official one, this parallel "unofficial market" functions like the most precise Swiss watch. There is everything here, one only has to pay well. Items in short supply reach a price 10 times higher here. Having an acquaintance among waiters and cooks in the hotels where foreigners stay is a real jackpot. Many Romanians buy things with the help of "their people" in "duty-free shops" and shops for foreigners that sell hardly any foreign goods but only Romanian-made products—even food—which has been rejected as exports because of some "fault." Here things are bought exclusively for foreign currency and the Romanians are ready to pay for foreign money even at 10 times the official exchange rate. For \$1 one gets about 8 lei at the official exchange rate, and as much as 80 on the black market.

In such a situation, it is completely clear why delegates to the fifth national party conference greeted state and party chief Nicolae Ceausescu with an unheard of ovation when he promised that this year wages will be increased by 10 percent, that 300,000 more heads of cattle and 12.5 million more pigs will be slaughtered and that each citizen will also be given 15 kg of poultry.

World Leaders Send Greetings to Ceausescu

CEMA Executive Committee

AU031338 Bucharest SCINTEIA in Romanian
31 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," from the CEMA Executive Committee and from the CEMA Secretariat on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

Esteemed Comrade Nicolae Ceausescu,

On your 70th birthday, the CEMA Executive Committee and Secretariat extend cordial greetings to you, well-known party and state leader of Socialist Romania and important figure in the international communist and workers movement.

The great contribution you make—in your high offices of RCP secretary general and president of the SR of Romania—to the cause of building socialism in fraternal Romania and to ensuring your country's socioeconomic development is widely acknowledged in the CEMA member states. We have a high regard for your constant concern with CEMA's work and with developing, perfecting, and ensuring a multifaceted cooperation among CEMA member states.

On this memorable day for you, we wish you, esteemed Comrade Nicolae Ceausescu, good health and new success in your comprehensive activity devoted to the well-being of the Romanian nation and to the interest of consolidating the indestructible friendship, unity, and multifaceted cooperation among fraternal socialist countries.

The CEMA Executive Committee,

The CEMA Secretariat.

SFRY's Mojsov

AU021900 Bucharest SCINTEIA in Romanian
28 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," by Lazar Mojsov, president of the SFRY Presidency on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, president of the SR of Romania,

On behalf of the SFRY Presidency and on my own behalf, I take particular pleasure in extending to you warm congratulations on your 70th birthday together with our sincere greetings for personal happiness, for much good health, and for further success in your activity of high responsibility devoted to the progress and prosperity of the friendly Romanian people.

We, in Yugoslavia, highly appreciate the friendly character of the relations, understanding, and confidence between our countries, which have been consolidated in the period since you became head of the SR of Romania and of the RCP. The frequent meetings we have had with you allowed us to base our relations on solid principled foundations and to ensure the multifaceted development of our mutual cooperation, for the benefit of the Romanian and Yugoslav peoples and in the interest of peace, security, and general progress in the Balkans, in Europe, and throughout the world.

Lazar Mojsov, president of the SFRY Presidency.

PCI's Natta

AU021926 Bucharest SCINTEIA in Romanian
28 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," from Alessandro Natta, secretary general of the Italian Communist Party on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general,

Dear Comrade Nicolae Ceausescu,

On behalf of our party and on my own behalf, allow me to extend to you best wishes for good health and success in your activity on the occasion of your 70th birthday.

I would like to take this opportunity to extend to you heartfelt thanks for the wishes you conveyed to me and to reconfirm our interest in further developing relations of friendship and cooperation between our countries and between the Italian Communist Party and the RCP.

With most cordial feelings,

Alessandro Natta.

Syria's Al-Asad

AU020802 Bucharest SCINTEIA in Romanian
27 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," by Hafiz al-Asad, president of the Syrian Arab Republic on President Nicolae Ceausescu's 70th birthday]

[Text] To Mr Nicolae Ceausescu, president of the SR of Romania,

On your 70th birthday, I take particular pleasure in extending to you cordial greetings and a warm salute, and I extend to you again best wishes for good health, personal happiness, a long life and for continuous successes and prosperity to the friendly Romanian people.

I would also like to reassert my belief that the close ties of friendship and cooperation between Syria and Romania will continue to develop in the future, on the basis of the understandings we reached together and for the mutual advantage of our peoples. Hafiz al-Asad.

Iraq's Husayn

AU021941 Bucharest SCINTEIA in Romanian
28 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," by Saddam Husayn president of the Republic of Iraq on President Nicolae Ceausescu's 70th birthday]

[Text] To Nicolae Ceausescu, president of the SR of Romania,

Much esteemed Nicolae Ceausescu,

On the occasion of your birthday, I take particular pleasure in personally extending to you most cordial greetings and wishes for good health and happiness, and I wish the friendly Romanian people continuous progress and well-being.

Saddam Husayn, president of the Republic of Iraq.

Libya's Al-Qadhdhafi

AU021853 Bucharest SCINTEIA in Romanian
28 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," by Colonel Mu'ammarr al-Qadhdhafi, leader of the Great 1 September Revolution of the Great Socialist People's Libyan Arab Jamahiriya on President Nicolae Ceausescu's 70th birthday]

[Text] Mr Nicolae Ceausescu, president of the SR of Romania,

On the occasion of your birthday, I extend to you most sincere greetings and best wishes for good health and personal happiness and for progress and prosperity to the Romanian people.

Colonel Mu'ammarr al-Qadhdhafi, leader of the Great 1 September Revolution of the Great Socialist People's Libyan Arab Jamahiriya.

PLO's 'Arafat

AU021928 Bucharest SCINTEIA in Romanian
28 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," from Yasir 'Arafat, chairman of the PLO Executive Committee and general commander of the Palestinian Revolutionary Forces on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

Esteemed Comrade Secretary General and dear President,

On the occasion of your 70th birthday, on behalf of the Arab Palestinian People, the members of the PLO Executive Committee, and on my own behalf, I take pleasure in extending to you personally, to the the RCP, the Government of the SR of Romania, and to the friendly Romanian people, warmest greetings and best comradely wishes for good health and power to work at the helm of your friendly country, which has embarked on the road of fulfilling the aspirations for socialist development, progress, and social well-being.

By celebrating this joyous event, the Romanian people express their love, respect, and devotion to you and their appreciation for your work and life devoted to the constant fight for ensuring their freedom, independence, and dignity. These manifestations also show the Romanian people's great confidence in you and their ardent wish to have you lead them further toward new achievements on the path of socialist construction, progress, and prosperity. We congratulate you for this trust you inspired, and we congratulate the Romanian people on your birthday.

I would also like to take this special opportunity to express our high appreciation and extend to you our profound thanks for your principled position and firm support with the just struggle of the Palestinian people, under the PLO leadership—their legitimate and sole representative—and with the Palestinian revolution and the people's insurrection in our territories against Israeli occupation and for the liberation of the homeland from the yoke of the oppression and for regaining our inalienable national rights, including the right to return, to self-determination, and to creating an independent Palestinian state.

I would also like to express our pride and particular satisfaction with the close relations and the solid relations of friendship and militant solidarity established between the PLO and Socialist Romania and between the Palestinian and Romanian friendly peoples. Likewise, we reiterate our concern with strengthening and developing these relations, in the joint interest of our peoples and for fulfilling their aspiration for progress, prosperity, well-being, and a just peace.

We renew our warm greetings, and we extend to you wishes for much health and personal happiness, for complete success in the struggle of the RCP, and we wish well-being and progress to the friendly Romanian people, under your wise and bold leadership.

Revolution up to victory!

With best wishes,

Your brother,

Yasir 'Arafat, chairman of the PLO Executive Committee and general commander of the Palestinian Revolutionary Forces.

Israel's Shamir

AU031356 Bucharest SCINTEIA in Romanian
31 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," from Yitzhaq Shamir, prime minister of the State of Israel, on President Nicolae Ceausescu's 70th birthday]

[Text] To Mr Nicolae Ceausescu, president of the SR of Romania,

I take great pleasure in extending to you greetings on your 70th birthday and wishes for good health and working vigor in the years to come. I also wish progress for your country and well-being for the people under your leadership.

We highly appreciate your warm and positive attitude toward the Jewish population in the SR of Romania, and we are grateful to you for permitting them to lead a cultural, religious, and ethnic life in a complete Jewish spirit.

We also admire you for the understanding you show for the requests of the Jewish people in Romania to emigrate to Israel and for granting them permission to leave.

I recall with pleasure the visit I recently paid to your country and the extensive discussions we held on issues of peace in the world, particularly in the Middle East, and on further strengthening bilateral relations.

Please accept best wishes on behalf of the Israeli People and on my own behalf.

Yitzhaq Shamir, prime minister of the State of Israel.

Ethiopia's Mengistu

AU021900 Bucharest SCINTEIA in Romanian
27 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," by Mengistu Haile Mariam, secretary general of the Central Committee of the Workers Party of Ethiopia, president of the People's Democratic Republic of Ethiopia, and supreme commander of the Revolutionary Armed Forces on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

On behalf of the Workers Party of Ethiopia, the Ethiopian Government and people, and on my own behalf, I take great pleasure in extending to you, Comrade President, most sincere greetings and best wishes on your 70th birthday.

I take this opportunity to again express our profound gratitude for the warm hospitality extended to us during our latest visit to your great country and we are firmly convinced that, the exchange of views we had at that time, both on bilateral and international issues, will make a decisive contribution to strengthening and developing our fraternal relations.

I wish you complete success in fulfilling your high responsibility and I would like to extend to you best wishes for good health and personal happiness and for much progress and prosperity to the friendly Romanian people.

Mengistu Haile Mariam, secretary general of the Central Committee of the Workers Party of Ethiopia, president of the People's Democratic Republic of Ethiopia, and supreme commander of the Revolutionary Armed Forces.

Mozambique's Chissano

AU021943 Bucharest SCINTEIA in Romanian
28 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," by Joaquim Alberto Chissano, chairman of the Mozambique Liberation Front and president of the People's Republic of Mozambique on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

On behalf of the Mozambican people, of the Mozambique Liberation Front [Frelimo], and on my own behalf, I extend to you, esteemed Comrade Nicolae Ceausescu, our warmest fraternal greetings on your 70th birthday, which is celebrated on 26 January 1988.

A consistent militant and tireless fighter for the freedom of nations and a great friend of the Mozambican people, you, esteemed Comrade Nicolae Ceausescu, have always enjoyed our sympathy and admiration.

Under your wise leadership, the fraternal people in the SR of Romania knew how to consolidate the foundations of their prosperous socialist homeland.

Today, your outstanding personality is the pride of the Romanian people and of all the peoples who fight against imperialism and against the policy of apartheid.

On your 70th birthday, I extend to you, dear comrade, sincere wishes for good health and a long life.

I take this opportunity to reiterate our sincere will to develop further our relations of fraternal friendship, militant solidarity, and exemplary cooperation that consolidate the traditional ties that have been binding our people, parties, and countries for a long time.

With high regard,

Joaquim Alberto Chissano, chairman of Frelimo and president of the People's Republic of Mozambique.

Afghanistan's Najibullah

AU030730 Bucharest SCINTEIA in Romanian
29 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," from Najibullah, general secretary of the Central Committee of the People's Democratic Party of Afghanistan and president of the Republic of Afghanistan on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

Esteemed Comrade Nicolae Ceausescu,

I would like to extend to you warm greetings on your 70th birthday. Your outstanding personality of devoted patriot and internationalist and fighter for the sacred cause of building a brilliant future for Romania and for strengthening peace and socialism throughout the world enjoys the respect of your whole nation and of all the other peace- and progress-loving nations.

I am convinced that, under your leadership, the fraternal relations between the Republic of Afghanistan and the SR of Romania will become increasingly fruitful, for the benefit of our countries and peoples and in the interest of the cause of peace throughout the world.

Please accept my best wishes for good health and for new successes in fulfilling your tasks of high responsibility.

Najibullah, general secretary of the Central Committee of the People's Democratic Party of Afghanistan.

Mongolia's Batmonh

AU020752 Bucharest SCINTEIA in Romanian
27 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," by Jambyn Batmonh, general secretary of the Central Committee of the Mongolian People's Revolutionary Party and chairman of the Presidium of the People's Great Hural of the Mongolian People's Republic on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

Esteemed Comrade Nicolae Ceausescu,

On behalf of the Central Committee of the Mongolian People's Revolutionary Party [MPRP], the Presidium of the People's Great Hural of the Mongolian People's Republic, and on my own behalf, I extend to you cordial greetings and best wishes on the occasion of your 70th birthday.

You are well-known in our country as an outstanding party and state leader of the SR of Romania, as one of the front-ranking militants of the international communist and workers movement, and as a fighter for peace, for cooperation among nations, and for socialism.

We note with much satisfaction that the fraternal relations between our parties, countries, and peoples are developing and deepening on the basis of the principles of socialist internationalism, in accordance with the treaty of friendship and cooperation between the Mongolian People's Republic and the SR of Romania.

On your birthday, I extend to you, much esteemed Comrade Ceausescu, heartfelt wishes for good health, newer and ever greater successes in your activity devoted to the development of Socialist Romania and to strengthening peace and friendship among nations.

Jambyn Batmonh, general secretary of the MPRP Central Committee and chairman of the Presidium of the People's Great Hural of the Mongolian People's Republic.

PRC's Zhao, Li

AU021851 Bucharest SCINTEIA in Romanian
27 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," by Zhao Ziyang, general secretary of the CPC Central Committee and by Li Xiannian, PRC president on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

On behalf of the CPC Central Committee, of the Chinese people, and on our own behalf, we extend to you warm greetings on your 70th birthday.

As an active militant of the revolutionary struggle of the workers class in Romania and as an eminent leader of the Romanian party and state, you have made an outstanding contribution to Romania's social and national liberation, to ensuring the multifaceted development of Socialist Romania, and to promoting the cause of peace and progress throughout the world.

Throughout the longstanding common revolutionary struggle and in the work of building socialism, our parties, countries, and peoples in China and Romania have established a solid militant friendship, which is characterized by mutual sympathy and assistance. As an

old and respected friend of the Chinese people, you made a great and important contribution to consolidating and developing the Romanian-Chinese friendship. The CPC and the Chinese people greatly appreciate this friendship, and we will make tireless efforts to further strengthen and develop relations of friendly cooperation between our two parties, countries, and peoples.

Esteemed Comrade Nicolae Ceausescu, we extend to you heartfelt wishes for good health and a long life, and to the RCP and the Romanian people we extend wishes for more and more achievements in the work of building socialism.

Zhao Ziyang, general secretary of the CPC Central Committee,

Li Xiannian, PRC president.

Japanese CP's Miyamoto

AU030756 Bucharest SCINTEIA in Romanian
28 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," from Kenji Miyamoto, chairman of the Communist Party of Japan Central Committee on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general,

Esteemed Comrade Nicolae Ceausescu,

On your 70th birthday, I extend to you heartfelt greetings and best wishes for good health and success in the activity you are carrying out at the helm of the RCP.

Likewise, I express my wish that the relations of cooperation between the Communist Party of Japan and the RCP develop further, in order to attain the important goals included in our joint declaration of April 1987.

Kenji Miyamoto, chairman of the Japanese Communist Party Central Committee.

Vietnam's Leaders

AU021845 Bucharest SCINTEIA in Romanian
27 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," from Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, and by Vo Chi Cong, president of the State Council of the Socialist Republic of Vietnam on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

We extend to you warmest greetings on your 70th birthday.

We are firmly convinced that Vietnamese-Romanian relations of friendship and cooperation will continue to consolidate and develop in the future for the benefit of our countries and in the interest of peace and socialism.

We extend to you wishes for good health and for new and ever greater success in your highly responsible activity.

Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee,

Vo Chi Cong, president of the State Council of the Socialist Republic of Vietnam.

Lao Leaders

AU030754 Bucharest SCINTEIA in Romanian
29 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," from Kaysone Phomvihane, general secretary of the Lao People's Revolutionary Party Central Committee and from Phoumi Vongvichit, acting president of the Lao People's Democratic Republic on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

Dear Comrade Nicolae Ceausescu,

On the occasion of your 70th birthday, on behalf of the Lao People's Revolutionary Party [LPRP] Central Committee, the Government of the Lao People's Democratic Republic, and on our own behalf, we would like to extend to you best wishes for good health, a long life, and brilliant successes in fulfilling your noble mission.

On this solemn occasion, we wish the fraternal Romanian people—under the leadership of the RCP, which is headed by you—great successes in implementing the 13th RCP Congress decisions and in the struggle for peace and security of all the nations of the world.

Kaysone Phomvihane, general secretary of the LPRP Central Committee,

Phoumi Vongvichit, acting president of the Lao People's Democratic Republic.

Lao Leaders Thank Ceausescu for Greetings
AU031409 Bucharest SCINTEIA in Romanian
30 Jan 88 p 4

["To Comrade Nicolae Ceausescu, RCP Secretary General and President of the SR of Romania"; message of thanks from Kaysone Phomvihane, general secretary of the Central Committee of the Lao People's Revolutionary Party and chairman of the Council of Ministers of the Lao People's Democratic Republic and from Phoumi Vongvichit, acting president of the Lao People's Democratic Republic for national day greetings]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

On behalf of the Central Committee of the Lao People's Revolutionary Party [LPRP], the Government of the Lao People's Democratic Republic, and on our own behalf, we extend sincere thanks to you, to the RCP, and to the Romanian people for the heart-felt greetings you conveyed to us on the 12th anniversary of the proclamation of the Lao People's Democratic Republic.

We believe that the relations of friendship and cooperation between our parties, governments, and between the Lao and Romanian peoples will continue to develop in the interest of peace and socialism.

We take this opportunity to wish you good health and ever greater successes in building the comprehensively developed socialist society in the SR of Romania.

Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Council of Ministers of the Lao People's Democratic Republic

Phoumi Vongvichit, acting president of the Lao People's Democratic Republic.

CSSR's Husak Thanks Ceausescu for Message
AU031418 Bucharest SCINTEIA in Romanian
33 Jan 88 p 4

[*"To Comrade Nicolae Ceausescu, RCP Secretary General and President of the SR of Romania": message of thanks from CSSR President Gustav Husak for birthday greetings*]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

Esteemed Comrade Ceausescu,

I extend to you my sincere thanks for the comradely greetings and congratulations you conveyed to me on my 75th birthday.

I highly value the "Victory of Socialism" order that I consider both as a sign of appreciation for my activity and as an expression of the traditional relations of friendship and cooperation between the CPCZ and the RCP and between the CSSR and the SR of Romania.

I am firmly convinced that the relations of solid friendship and multifaceted cooperation between our parties and peoples will continue to successfully expand and develop in the future, in the interest of socialism and of the strengthening of peace in the world.

I take this opportunity to wish you, esteemed Comrade Nicolae Ceausescu, good health and new successes in implementing the 13th RCP Congress decisions.

Gustav Husak, CSSR president.

Further on Allegations Against Waldheim

Document Kept in Belgrade

LD040004 Belgrade TANJUG in English
1939 GMT 3 Feb 88

[Text] Belgrade, Feb 3 (TANJUG)—The Yugoslav archive in Belgrade keeps among other documents the files of the state commission for the establishment of war crimes committed by the occupiers and their helpers, which includes the file on Kurt Waldheim, assistant director of the archive Dr Bogdan Lekic told TANJUG today.

Lekic said that the documents in the file were available to the public and had been used by both domestic and foreign researchers and journalists. Members of the international commission probing Waldheim's responsibility had also had access to the file, he said.

The archive, however, does not keep documents from the archives of the quisling governments which existed on Yugoslav territory during the Second World War.

Plenca To Find Original

LD040009 Belgrade TANJUG in English
2143 GMT 3 Feb 88

[Text] Belgrade, Feb 3 (TANJUG)—Yugoslav historian Dusan Plenca said here today that in a few days he will find and make public the original of the document on Austrian President Kurt Waldheim's wartime past which appeared in the West German magazine DER SPIEGEL.

"The original is not in my possession, but the copy which I made two years ago," Plenca said.

Plenca claims he first saw the original of the telegram from July 1942 which directly mentions Lieutenant Kurt Waldheim and his request for the deportation of civilians from Mount Kozara, Yugoslavia to prisoner camps between 1971 and 1975 in the Yugoslav archives. "I do not know whether the document is still there, but I will look for it," he said.

Plenca does not consider the telegram published in DER SPIEGEL as being of key importance in assessing Waldheim's activities on Yugoslav territory during the Second World War. He said that he had two other more important documents.

Plenca said that he was acting solely as a historian and had no links whatsoever with the government or any other official institution.

Kosovo Historian on Documents

LD040011 Belgrade TANJUG in English
2004 GMT 3 Feb 88

[Text] Belgrade, Feb 3 (TANJUG)—Yugoslav historian Hakif Bajrami, director of the archives in the Yugoslav Autonomous Province of Kosovo, said in the Belgrade

television's prime time news program this evening that he had historical data on Kurt Waldheim's presence in Kosovo in the period of October-November 1944 in the capacity of an officer of the Wehrmacht.

At the time, 104 Albanian patriots were shot dead in Staritrg near Cosovska Mitrovica.

The shooting of the Albanian patriots was carried out on orders of the army headquarters in which Waldheim was a liaison officer, Bajrami said.

Bajrami explained that he came upon these documents some ten years ago but was not sure at the time that they related to the then U.N. secretary general.

International Commission Appeal

LD040859 Belgrade TANJUG in English
0006 GMT 4 Feb 88

[Text] Vienna, 3 Feb (TANJUG)—The international commission in charge of clarifying the wartime past of present Austrian President Dr Kurt Waldheim today hoped the Yugoslav Government would enable it an insight into the document published in the West German "DER SPIEGEL" and the Belgrade "POLITIKA" paper.

Commission chairman and historian Rudolf Kurz told a news conference here that he had read a letter of appeal to the Yugoslav Government to support the work of the commission. The letter was today delivered to the Yugoslav Embassy in Vienna.

The letter points out the commission's understanding that the document published in "DER SPIEGEL" and "POLITIKA" is in the possession of Yugoslavia and that it can be of great significance for the clarification of the role of Lieutenant Waldheim on the staff of the WW-II combat group Western Bosnia. The commission said that the original is not available in state-owned archives and appealed to the Yugoslav Government to deliver this and all the possible other documents related to this case.

Foreign Debt Cut by \$950 Million in 1987

LD031355 Belgrade TANJUG in English
1252 GMT 3 Feb 88

[Text] Belgrade, February 3 (TANJUG)—The Yugoslav foreign debt was cut by over 950 million dollars last year, according to National Bank of Yugoslavia figures, as Yugoslav Federal Premier Branko Mikulic stated at a session of the Assembly of Yugoslavia Federal Chamber today, answering a delegate's question.

The Yugoslav trade deficit was lowered from two billion 62 million dollars in 1986 to one billion 178 million dollars in 1987.

Nuclear Power Plant Equipment Made for USSR
LD031440 Belgrade TANJUG in English
1357 GMT 3 Feb 88

[Text] Slavonski Brod, Feb. 3 (TANJUG)—The Yugoslav enterprise Djuro Djakovic of Slavonski Brod has delivered 5.2 million dollars worth of equipment for nuclear power plants to Soviet partners.

Djuro Djakovic will deliver an additional 15 million dollars worth of equipment for nuclear power plants to the Soviet Union by the end of the year.

Djuro Djakovic comprises several factories, with a total of around 14,000 employees. It has affirmed itself at home and abroad as a manufacturer of industrial equipment, metal frameworks, special vehicles, power installations and other products.

It last year exported over 70 million dollars worth of products to the Soviet Union, the United States, France, the German Democratic Republic, Canada, Japan, Egypt, Iraq and several other countries.

Messages Sent to Spanish Socialist Workers
AU291707 Belgrade POLITIKA in Serbo-Croatian
24 Jan 88 p 2

[TANJUG report: "Yugoslav Friendship With Spain"]

[Text] Madrid, 23 Jan—Azem Vlasi, member of the LCY Central Committee Presidium and president of the Provincial Committee Presidium of the LC of Kosovo, today conveyed a message from the LCY Central Committee to the 31st Congress of the Spanish Socialist Worker's Party, which expressed a desire for the success of the congress and stressed the friendly relations between the two parties.

It was emphasized in the message that these relations, which are based on the principles of mutual respect and equality, were one of the significant factors that led to friendship and cooperation between the two countries reaching a high level.

Similar greetings and wishes for the Spanish socialists' congress were also contained in a message conveyed by Marjan Kotar, member of the SAWPY Federal Conference Presidium.

Mikulic Announces Cabinet Changes
LD031353 Belgrade TANJUG in English
1250 GMT 3 Feb 88

[Text] Belgrade, February 3 (TANJUG)—Yugoslav Premier Branko Mikulic announced cabinet changes when he addressed the Assembly of Yugoslavia today.

He said the changes were forthcoming as a result of changes in the organization and the competencies of the government and other federal administration organs.

Replying to a delegates' question whether some organs had impeded the work of the government, Mikulic said that other federal organs had in no way hindered government activities aimed at achieving better results. The main obstacles, according to Mikulic, were financial reasons and some systemic limitations that should be changed.

New Foreign Minister Named
LD032011 Belgrade TANJUG in English
1759 GMT 3 Feb 88

[Text] Belgrade, Feb 3 (TANJUG)—Budimir Loncar, 63, was today appointed Yugoslavia's new federal secretary for foreign affairs. Loncar, until now deputy foreign secretary, assumed the post after his predecessor Raif Dizdarevic was elected to the collective state Presidency late last year.

The new foreign minister has been in diplomacy for 38 years. He was appointed Yugoslav consul in New York in 1950, when he was 25. Afterwards, Loncar served as counsellor at the Yugoslav mission to the United Nations, special advisor to the federal secretary for foreign affairs, undersecretary at the Secretariat and, since 1984, deputy foreign secretary.

Loncar was ambassador to Indonesia (also accredited to Malaysia and Singapore), the Federal Republic of Germany and the United States. He attended 15 sessions of the U.N. General Assembly and almost all nonaligned summits.

Zemljarić on Delay in Passing Resolution
AU011051 Belgrade BORBA in Serbo-Croatian
23-24 Jan 88 p 3

[Blazo Sarovic report on interview with FEC Vice President Janez Zemljarić given to BORBA; place and date not given]

[Text] This interview with FEC Vice President Janez Zemljarić was planned for and agreed to appear in the New Year's issue of BORBA, on the condition that this year's resolution was adopted. The past teaches us that this document regularly met with opposition from the Assembly delegates, but that it also was always passed. It was logical to believe that this would be the case this year too. But it was not, so the anticipated interview did not appear.

We began the interview talking about the reasons why the resolution was not adopted and about its main characteristics:

"One should say that the procedure of adopting the resolution began with a delay of almost 1 month, because debates on adopting the program of measures and activities to curb inflation and stabilize the economy, the starting points for the draft documents in the resolution lasted a long time," Zemljarić said and continued:

"Along with the documents determining the development policy in 1988, some proposals for changes in the system and provisions of great material weight were examined. The fact

had to be considered that we had entered a very profound economic and political crisis, which also influenced the increased responsibility of delegates in examining the questions of the development and economic policy in the coming period. Precisely because of the weight and the depth of the crisis, the discussions that were conducted penetrated much more deeply than usual into the causes of the crisis. Aware of their responsibility for the situation in society, the delegates participated with much more responsibility and with better arguments in the search for the best solutions."

[Sarovic] The delegates of two republics nevertheless remained consistent in their stand that they will not accept the proposed resolution as such. Only the Slovene delegation kept to its stand to the end. What were they particularly insisting on?

[Zemljarić] All the delegations had the proposals, observations, and conclusions of their assemblies, which also proceeded from their own interests. I think that the basic thing was concern, but there was also eagerness to draw up the most efficient blueprint of the economic development policy. There was much thinking and different views on whether one should immediately pass on to a consistent application of market economy, which implies full acceptance of economic laws, and a greater liberalization of the imports policy. On the other hand, there was concern: Are we capable of accepting all this without being dragged into an even deeper crisis and deeper and graver disturbances that would ultimately drive us to resort to even stricter administrative measures than the ones we now have.

Document of a Transitory Year [subhead]

[Sarovic] Where does the federal government stand on these two ways of thinking?

[Zemljarić] With the program of measures and activities to combat inflation and to stabilize the economy, we have very clearly set the course, which was also adopted by the SFRY Assembly, and which presupposes acceptance of the market, economic laws, real factors in business operations, and an economy open to world markets. Many prerequisites are certainly needed for a full affirmation of these principles. In many respects we still lack these prerequisites at present, and it is therefore realistic that we should reach that level gradually, although the instability and the check in development demand faster changes.

[Sarovic] How does this resolution differ from the previous ones? There have been many reproaches that it does not have anything new.

[Zemljarić] Although this year we will have to see whether we still need such resolutions, this one contains several new things. This time it is a document of a typical transitory year in which from month to month we shall

abandon many things out of the repertoire of our practice to date and start significant changes that would have to create conditions for better results.

The main aim of this year's resolution is to decrease inflation. This certainly cannot be done through the administration and freezes, but by using changes to affect the numerous generators of its increase and growth. We harbor no illusions that we can achieve lasting results in decreasing inflation through intervention and temporary measures. Therefore, we have established in the resolution some much firmer levers for decreasing inflation such as: reviving the overall economic activity on the basis of more efficient economic operations and structural changes, increasing the exports of goods and services, strengthening the economy's material basis, and increasing its share in income distribution, as well as bringing all forms of expenditure down within the limits that enable an overall revival of economic activities, restructuring of foreign debts, and making good internal debts and dubious operations.

[Sarovic] Ever since we have had this rampant inflation, every resolution has stressed the curbing of inflation as our prime objective, but inflation continued to rise. What do you see as a guarantee that things will be different this year?

[Zemljarić] I agree with you that this resolution could experience what many previous resolutions experienced if we do not start with the envisaged systemic changes quickly, provide the material support for development and technological changes, create conditions for the affirmation of the market economy and the motivation of work organizations, and stop criticism or insisting on partial interests, and start to consistently implement the adopted policy. We must not put our higher interests and the solving of even completely objective individual problems above the vital joint interests of the economy and society as a whole.

[Sarovic] You said that the resolution should be seen as a document of a transitional year. Does that mean that some radical changes in the political and economic systems are to follow, and what can we expect in that respect?

[Zemljarić] The resolution contains a reform program in the economic system that the FEC Commission for Preparing Changes in the Economic System will soon start work on. They have already been set in the Long Term Economic Stabilization Program but their elaboration and application has been postponed.

Illusions About Cutting Expenditure [subhead]

There is practically no sphere of the socioeconomic system that does not require necessary cuts, in which we should abandon our current, fairly inert, and even dogmatic habits, views, and concepts. We must make room for initiatives in the small businesses sector and free ourselves from the fear that by spreading these initiatives we are undermining socialism. We must provide a real

and not only verbal support to the promising production and service activities. It is also necessary to find a way and the means for stimulating the forces and systems that strive toward technical-technological progress and the advanced courses of the world markets. The program of structural changes is being prepared on those lines and will soon be discussed.

[Sarovic] Is it possible in the present circumstances to reduce the state's involvement in our economic affairs without creating anarchy in the economy?

[Zemljarić] I have already said that, considering the present level of the development of the country as a whole and our economic instability, we cannot enter a qualitatively new phase of conducting business activities, although we are aware that without a greater role of the market criteria and acknowledging the factors of the real economy there would not be a more permanent efficient way of conducting business affairs anywhere in the world.

It is also known that there is no country in which the state does not play some kind of role in the economy. In our country we have reached the stage in which we should, without being afraid of anarchy, more courageously start on deregulations and the reduction of normativism in economic life, starting from the federation to basic associated organizations.

Expensive Rescheduling [subhead]

[Sarovic] In all its adopted measures, the federal government has indicated a reduction in spending. The realization of this assumes primarily a reduction in the spending of those in employment. In other words, the federal government thinks that this can be done. What kind of cuts is the government planning?

[Zemljarić] I agree with those who think that we do not have strategically important reserves in the spending sector anymore. After all, our economy and society did not encounter difficulties because of excessive personal incomes and the exorbitant financing of social activities and science, although a part of this superstructure and these activities has been based on an inflationary income or on sources without real cover. The key sources of our difficulties lie in the very high foreign debt repayments. This is accompanied by the high interest rates and the expensive rescheduling of our loans. Only in the last few years we had to allocate over \$17 billion from our social product to repay foreign debts.

Considering the fact that the effect of using these loans was very small, while the effect of the outflow of a part of our social product for their repayment was very large, then it is clear that this was one of the key causes of our basic problems. This is also one of the major causes of our inflation.

Of course, what is also very important is an inefficient use of capacities, an ossified economic structure, constant socialization [socijaliziranje] of losses, as well as the fact that we are maintaining an overly expensive and inefficient state superstructure and an overly cumbersome administration in the economy and in society in general by constantly increasing burdens on the economy, by imposing heavier and heavier taxes on it for years on end.

[Sarovic] An unsuitable and incomplete taxation system contributes to the "unfair" distribution of the burden of public expenditure. Why is it so difficult to bring about changes in this sphere?

[Zemljarić] It is true that we have a very conservative and inefficient taxation system and a taxation policy that has hardly any positive effect on economic flows and even fails to ensure either stimulating economic conditions or the responsibility of subjects for vital social functions proportional to their economic strength.

In our taxation system, virtually the same happens as in the small business sector, in opening doors to foreign investors, etc., and that is an ossified conservatism and preservation of the existing situation, although it is more and more clear that this only multiplies our problems and difficulties. We are maintaining an illusory economic balance, in fact a state of inertia, as if we did not want to or did not know how to start the process of change and to change our habits, which unfortunately still happens often because of our inclination to have a relatively easy life.

[Sarovic] One speaks all the time about powerful centers of opposition to change. Do you agree that the system itself is set up in such a way that any attempt to make a change results in a blockage almost automatically, so to speak.

[Zemljarić] Our society is obviously still not ready for quicker changes or to seek more efficient and complete solutions to our problems. Some of the reasons for this certainly lie in the economic system itself, which provides no motivation for work organizations, strengthens the idea that the only important thing is to survive, and tolerates inertia and irresponsibility.

[Sarovic] As concerns foreign investment, there is an opinion in the world that we are the most dogmatic country with extremely conservative and outdated regulations.

[Zemljarić] It is true that we are now left with rather outdated regulations in this sector. Foreigners think that these regulations fail to ensure security of investment and a suitable profit. However, it is perfectly clear that in the conditions of being an economically exhausted country we cannot expect to have a quicker development or to start technological or structural changes without significant cooperation with foreign partners. The new changes

in the economic system envisage considerable innovations on the opening of our country to foreign investment, with greater guarantees for all investments and with transfers of the profit earned.

The Flood After the End of the Freeze [subhead]

[Sarovic] What happened with specific offers that have been made, for instance the one for the construction of the Adriatic highway?

[Zemljarić] There are several specific offers, not only the one for the construction of the Adriatic highway. There are some offers for investing in infrastructure projects, and there is also an increasing number of people interested in investing in manufacturing and even services, mostly in tourism and some other economic sectors. The ideas and suggestions are being collected and examined. I think that a firm turn will be made in this field already this year.

[Sarovic] One can say that the latest price freeze was forced on us. The question is what will come after the prices freeze ends. Economists are afraid of a flood, and prices, especially prices of commodity goods, are rising as if there had been no freeze.

[Zemljarić] We have always been and still are aware that there are some negative sides to the intervention measures and the price freeze. That is why we are now urgently working on creating the conditions that will prevent the need for such measures from arising again and we are doing so through changes in the system, development and economic policy, revival of the economy, and other activities.

[Sarovic] Many of these plans are based on the need to increase imports. Where do you think one can obtain foreign exchange and create conditions for more imports of commodities that would reduce pressure on the market?

[Zemljarić] On the basis of the restructuring of our foreign debts, we seriously count on improving the foreign exchange liquidity situation of the country and on doing so as early as the first half of this year. Quite good supplies of reproduction materials and equipment now have been ensured, and we count on importing them at a 10% higher rate than in 1987. The fact that the repayment of a portion of the sum due this year will be postponed. Plus, the newly obtained resources will make it possible for us to intervene with the exports of some consumer goods in order to reduce the pressure on the market. The stress will certainly be placed on supplies needed by manufacturing plants and on increasing the volume of production.

Debtors' Hopelessness [subhead]

[Sarovic] The outflow during the past several years of social product to the value of over \$17 billion in order to repay debts is a killing burden for the whole of society. The fact that in doing so we have reduced the principal

by only \$1.5 billion ruins all hope that we will ever get rid of the debt. How is it that such large sums pour away without the debt getting smaller?

[Zemljarić] Yes, we have reduced the principal by approximately the sum you mentioned, but it is correct to say that it has made our troubles even worse. In order to reduce the burden of debt repayment, every year up to now we have planned a considerable inflow of foreign funds to revive the economy, modernize it, and bring about structural changes. Unfortunately, for external and internal reasons these plans have not been implemented and this has intensified our problems. The major part of the funds that we allocate from a stagnating social product are interest payments. For the sake of illustration, out of \$17,367,000,000 paid for debt servicing from 1982 to the end of last year, \$9,044,000,000 were interest payments and \$8,323,000,000 were repayments of principal. The overall debt could not be significantly reduced because we borrowed more in the meantime so that we may maintain our reproduction.

[Sarovic] What is being done to provide a necessary breather for the economy in the foreign sector?

[Zemljarić] The program of long-term consolidation of our debts envisages that we will reduce the volume of our repayments to foreign countries this year, but also that we will engage further funds for production and planned changes through commodity and financial loans and other forms of support by foreign financial circles. I may say that for the time being we do not lack various kinds of support by these circles, especially for some undertakings and programs that we have.

With the planned restructuring of our commitments, we would reduce the debt repayment outflow of our foreign exchange earnings from 46% last year to 25% this year, which is acceptable because it ensures a normal flow of reproduction and at least a minimum of development, and it prevents a further aggravation of both economic and social problems. We must endeavor to ensure that this program is accepted. Talks on this problem are under way with the IMF, governments, banks, and other international financial organizations.

[Sarovic] What are the prospects of having our requests accepted?

[Zemljarić] Even foreign creditors are becoming increasingly aware of the tremendous efforts our country has made and sustained in order to repay its commitments regularly. They are aware that we have reached the ultimate limit in bearing such a burden of commitments toward foreign countries and that we cannot carry on in the same way without falling into even graver development and social problems. The creditors are also coming to the conclusion that we are, after all, not solely responsible for all the problems in which we have landed, and that we are to a great extent a "victim" of the overall economic and financial disturbances in the world.

[Sarovic] The public has the impression that to reschedule the debts means to accept the maxim: just survive now, tomorrow is another day. How much does one dollar of rescheduled debt cost over a given period?

[Zemljarić] It is still not possible to expect essential short-term changes in economic and financial relations in the world, and it would surely be better to repay our debt as soon as possible. However, we cannot do that now. It is understandable that rescheduling increases our commitments, but at a given moment it enables us to prevent a further outflow of net social product to foreign countries and to direct it to development, which means an increase of export production capacities and easier repayment of debts in the future.

[Sarovic] The repayment of debts is often linked with a restructuring of production. Are we losing sight of the fact that our means of production are outdated and are 50% written off? How can we then expect a restructuring to result in a modern production with which we could face the world?

[Zemljarić] Even under these difficult conditions, our economy has made a surprising turn and has displayed great vitality. In 1987 alone, it increased as much as 17.6%. We exported 27.8% more to the developed countries. This is very important, for we have made gains in very choosy markets that are difficult to penetrate.

At the same time our overall imports were reduced 2.4%. Indeed, the imports from developed countries increased 2.4%, which along with the 27.8% increase in exports sufficiently convincingly demonstrates the vitality and great mobilization of the economy in using its reserves, substituting domestic materials for imports, and the like.

I agree that we have thus probably exhausted any further opportunities in this direction. Therefore all the plan documents for this year contain the obligation that we must ensure the imports of equipment, raw materials, and production materials in a volume much larger than last year's.

Settling Internal Debt [subhead]

[Sarovic] It is evident that exports of goods to the clearing account area have fallen about 20%. Is this influenced more by the structure of our exports or by the unresolved questions in our country about equal treatment of exports to either market?

[Zemljarić] The countries with payments under the clearing account system demand a balanced trade and thus virtually impose restrictions on imports, which is the main cause of the fall in our exports. How these exports that you have mentioned are treated also has an impact, but we must say that exports to the clearing account countries have been accorded a treatment that is more equal to that accorded to hard currency markets exporters than used to be the case until recently.

[Sarovic] The question of internal debts is no less dangerous or threatening than that of foreign debt. Does it threaten to stem the economic flows in the country?

[Zemljarić] I agree. This question is an important covert generator of our inflation and our economic instability, and for years we have been running away from it.

If this year we fail to summon the strength to stop the creation of fictitious wealth, unpaid bills, and debts, it would be illusory to expect that through further restrictions in the sector of financing social activities and the state, or through paring down personal incomes, we would ensure the basis for a more efficient economic policy and development.

[Sarovic] The FEC is under an obligation to present a new bill on foreign exchange dealings by 15 February. What will it provide, what will be the main innovations, and what will it contribute to?

[Zemljarić] The FEC is under the obligation to prepare a draft of permanent system solutions for the entire sector of economic relations with foreign countries, including foreign exchange dealings. The existing system is full of partial amendments and it obviously does not provide sufficient incentive and motivation for economic subjects so that they may intensify their further export efforts, and especially for increasing the overall foreign exchange inflow to social channels. Work is being done on this task, and this will be one of the first subjects of the newly formed FEC Commission for Changes in the Economic System.

Pancevski on Aims, Tasks of Economic Policy *AU011705 Belgrade POLITIKA in Serbo-Croatian 28 Jan 88 p 4*

[Report on speech by Milan Pancevski, member of LCY Central Committee Presidium, at Ninth Session of Central Committee of LC of Serbia on 27 January in Belgrade]

[Text] I think that the great responsibility of the state and party organs in the Federation, republics, and provinces lies in the realization of the aims and tasks of the economic policy that would facilitate a gradual way out of the economic crisis and dynamic and harmonized social and economic development of our society as a whole. Milan Pancevski, member of the LCY Central Committee Presidium; stated this during the discussion.

Emphasizing that it is more urgent today than ever before to overcome the economic crisis and to implement the 13th LCY Congress resolutions, Pancevski said that a resolute turnabout toward the LCY's ideological unity and unity in action and organization is also needed. Today, the LC's prime objective is to work on changes in the economic system. In that sense, Pancevski said, the LCY Central Committee obliges its Presidium to clarify as soon as possible the open ideopolitical

questions in connection with changes in the economic system such as changes in the foreign exchange system, in the taxation and contributions systems, in the system of division of funds available for personal incomes, investments by foreign partners, the founding of joint enterprises, and so forth.

Pancevski pointed to the LC's obligation, within the framework of activities and measures for curbing inflation, to play an active role in the realization of the temporary intervention measures on prices, expenditure, and distribution of personal incomes, and to follow their implementation constantly.

Stating that it is necessary to establish economic mechanisms for a transition from the regime of temporary intervention measures to the normal functioning and stable conduct of business activities, Pancevski stressed that the LC must resolutely oppose the climate of mistrust and unargued, arbitrary, and malicious criticism of the self-managing state organs' activities. The seriousness of the economic situations requires the maximally mobile organization and accountability of all factors. As regards this, Pancevski added, I understand your orientation toward establishing and implementing specific operative programs and activities on the republican, regional and communal level as well as on the level of associated labor in the SR of Serbia.

Favoring more offensive activities by the LC, Pancevski also said the following: "The LC must turn to expert, creative forces, and together with them search for and find way out of this serious economic crisis. A hammer blow should be struck to restrict and reduce idleness, ignorance, inability, and the lack of readiness to make efforts that would lead toward the solution to social problems and the creation of social prospects. I think that the LC can reestablish its vanguard authority only if it establishes its authority in work and knowledge within its own ranks and in society as a whole, and differentiates on this basis.

The Break Off From the Practice of Appeals [subhead]

We must finally break off from the political practice of appeals and empty talks, Milan Pancevski said. In my opinion, this is being done today at this session of the Central Committee of the LC of Serbia that is in a very specific way directing the sociopolitical action of the LC and other social forces, including the working people, in order to more successfully conduct more dynamic economic activities of all economic entities and society as a whole.

Student Newspaper Issue Banned 'Permanently'
LD021551 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1403 GMT 2 Feb 88

[Text] Zagreb, 2 Feb (TANJUG)—The Council of the Zagreb District Court, presided over by Judge Mitko Naumovski, today passed a decision permanently banned the Zagreb STUDENTSKI LIST, issue number

three of 27 January this year. In its analysis of the contents of the paper, the court established that it contained articles with untrue and alarming news which could cause anxiety among the public.

Similarly, it is reported that some of the claims made harm the standing of legal entities and individuals. On the basis of the law on preventing the abuse of the press and the law on public information of the SR of Croatia, the distribution of this issue of the paper is permanently banned. All remaining copies of this issue will be removed.

The district public prosecutor's office, which was represented in the discussion by Deputy District Public Prosecutor Tihomir Rubes, reacted with justification and reached its decision on the temporary banning of the paper on time, emphasized Court Council President Mitko Naumovski.

He noted that in the framework of the analysis of the overall content of this issue of STUDENTSKI LIST particular consideration had been given to the articles entitled "We Are Condemned to the Status Quo," "An Oasis of False Freedom," "The State's Concern for Our Spiritual Health," and "Courtesans of the Press."

The Court Council supports the processes of the democratization of the press, but this democratization can nowhere be achieved by publishing untrue and insulting articles, said Court Council President Naumovski, warning that such an approach can only damage these overall social processes.

Also present during the proceedings were representatives of the publisher—the Zagreb City Conference of the Federation of Socialist Youth of Croatia and the Assembly of the university. However, they did not put forward the stances of those bodies because, they said, this issue of "STUDENTSKI LIST" had still not been discussed by the Zagreb City Conference Presidium of the Federation of Socialist Youth of Croatia nor by the University Assembly Presidium.

In its defense, the editorial staff asserted that parts of the text had been taken out of context and that this had created a false impression. They cited a series of examples from the Yugoslav press which, they said, put forward similar views and opinions. However, the editorial staff nevertheless stated that in the article "Courtesans of the Press" by Milovan Brkic, a professional and editorial error had been made.

Kosovo Polje LC Defends Miroslav Solevic
AU021153 Pristina RILINDJA in Albanian
31 Jan 88 p 2

[G. Bajrami report: "Against Party Assessments—Without Grounds"]

[Text] The First Basic LC Organization of the Kosovo Polje 17th Local Community, at its meeting 2 days ago, did not support the Pristina LC Communal Committee's

assessments of the ideopolitical responsibility of certain LC members, and said that there were no grounds for the ideopolitical responsibility of Miroslav Solevic, member of this basic LC organization. Also present at the meeting were Bajram Gashi, member of the Serbian LC Central Committee Presidency; Zivorad Djordjevic, member of the Serbian LC Central Committee Political Aktiv; and Enver Selimi, Pavle Jovanovic, Gani Jashari, Novica Jakovlevic, Sreten Martinovic, and Mitar Baljevic, activists of the commune.

The speeches of 17 members of this organization, of local activists, and Miroslav Solevic himself, rejected in a prejudged fashion the assessments of the Pristina LC Communal Committee and defended Solevic's activity up until now.

Disagreements and Attempts at Denigration [subhead]

According to Svetislav Grujic, Serbs and Montenegrins had been compelled to organize themselves, since they were being subjected to unprecedented genocide and terror. He could only see a victory for progressive forces, he said in his emotional speech, if the Albanian birth rate were reduced, and if cadres trusted by the Serbian and Montenegrin population were elected to leading positions. Ratomir Maksimovic demanded that ideopolitical differentiation should start from the top and added that if the Pristina LC Communal Committee expelled Solevic from the LC, the LC members in Kosovo Polje would return their party cards to the Serbian LC Central Committee. Djordje Simic expressed the opinion that Solevic had been faced with party responsibility merely for daring to call things by their true name. According to Sreten Martinovic, the Pristina LC Communal Committee assessments were unreliable and open to dispute.

This speaker, who took the floor three times, mentioned that action is being hampered by the very people who are in responsible positions. According to him, the leadership is practicing open discrimination in its cadre policy against the Serbian and Montenegrin population. He based this remark on the fact that there is not a single person from Kosovo Polje in an important position at any level from the commune to the federation, and by noting what happened to a cadre who dared to describe matters as they are. He warned that if things go on like this, this spring will be a hot one.

Solevic did not maintain an anti-party attitude at any gathering, Milan Vasic said, and added that it would be a good thing if the Committee too recognized him, as we do, as a patriot of Yugoslavia, who is remaining in Kosovo, loyal to brotherhood, unity, and togetherness. Dusan Bojkovic too said that Solevic's speeches had always been well received by the Communists and citizens of Kosovo Polje. Meanwhile, Zivojin Martinovic, president of the 17th Local Community LC Action Conference, said that it is a great shame that we do not have more people like Solevic in our ranks. He added that the committee, by what they are doing, is only trying to defend its own position. The speeches of

Miroslav Sekulic, Nebojsa Damjanovic, Zoran Mirkovic, Momir Stankovic, Stojan Ognjanovic, Cedomir Bojkovic, Milan Djekic, and Zvonko Mitic were in a similar key, and occasionally attempted to cast aspersions on some cadres and to discredit LC policy.

Lack of Self-Criticism [subhead]

Novica Jakovlevic said that the assessments of the Pristina LC Communal Committee cannot be rejected on prejudged grounds. This is no way to overcome the problem, and it does not befit the LC stand on democratic centralism. He advocated the strengthening of the Social Council, as did Pavle Jovanovic. Gani Jashari called for the kind of atmosphere at party meetings that fosters critical speaking, with cool-headed reasoning, without emotion or attempts to cast aspersions. He said that problems can only be solved and progress achieved with a clear line of demarcation between reasonable demands and destructive activities. Zivorad Djordjevic pointed out that no goodwill comes from deepening the mistrust between ourselves and the LC Communal Committee and vice versa. Mutual mistrust is an unfavorable factor in realizing party conclusions and standpoints, and blunts the blade of action. When we talk about ideopolitical responsibility, we must present arguments. This is the democratic way, and it must include self-criticism.

Bajram Gashi spoke on the need for deeper ideopolitical differentiation, and on the struggle against Albanian nationalism, but also against Serbian nationalism and other destructive activities. He said that the results so far achieved in stabilizing the situation must not be underestimated, even though they still do not match our efforts. The assessments of the Kosovo LC Provincial Committee, the Kosovo Presidency, and the Pristina LC Communal Committee are clear. It is not right merely to have speeches from defensive positions, without a thread of self-criticism on the part of this organization or of Solevic himself. He did not agree with the tone present in some speeches, which advocated Stalinist methods of differentiation, and expected a "hot spring." Party organizations cannot pass over such speeches in silence.

At the end of the debate, which lasted 5 and a half hours, the party organization did not even agree to form a social council. The organization voted unanimously that there are no grounds for ideopolitical measures of any kind against their fellow-member Miroslav Solevic. According to Mica Djordjevic, 27 of the 30 members of this organization voted (3 were absent for sufficient reasons), while, besides journalists, 70 people attended the meeting.

Kosovo Assembly Relieves Judge of Duties LD021917 Belgrade TANJUG Domestic Service in Serbo-Croatian 1611 GMT 2 Feb 88

[Text] Pristina, 2 Feb (TANJUG)—Delegates of the sociopolitical chamber of the Assembly of the Socialist Autonomous Province of Kosovo at a session today relieved Rudzi Berisa of his duties as judge at the District Court in Prizren because of moral and political unsuitability.

At a recent meeting of the basic LC organization of the District Court, which discussed the implementation of the conclusions of the ninth session of the LCY Central Committee, it was established that Rudzi Berisa was a participant in hostile demonstrations in 1986 and also that he remained silent when the contra-revolutionary events that took place in Kosovo in 1981 were being assessed.

Committee Endorses Proposal on Intelligence
*LD022311 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1517 GMT 2 Feb 88*

[Text] Belgrade, 2 Feb (TANJUG)—The Committee for National Defense of the Federal Chamber of the SFRY Assembly today endorsed the proposal to develop the system of reconnaissance and intelligence in sociopolitical communities.

In Yugoslavia, it was said, there is no firm and functional unity of the system of reconnaissance and intelligence. Federal rules regulate the questions of organization, while the way the system is to function in sociopolitical communities is established by republican and provincial documents.

While developing this system it is necessary, it was said, to establish firmer links between organizations that can carry out radiological measuring with the centers for reconnaissance and intelligence. The centers themselves should be equipped with the necessary instruments.

The problems of the development and capability of civil defense, which includes around 3.5 million Yugoslavs in more than 100,000 units with around 30,000 headquarters, were also analyzed. Stress was laid on the problems of delayed building of shelters and providing the population with the equipment for radiological, chemical, and biological protection. It was said that increasingly small funds are set aside for civil defense.

LCY Committee Praises Unity in Army
*AU022006 Belgrade BORBA in Serbo-Croatian
28 Jan 88*

[TANJUG report: "Unity in Action"]

[Text] Belgrade, 27 Jan—LCY organs and organizations in the Yugoslav People's Army have demonstrated a high degree of unity in implementing the conclusions of the ninth session of the LCY Central Committee. This

was stated at today's session of the Yugoslav People's Army LC Organization Committee Presidium, which was chaired by Georgije Jovicic.

At the center of attention was involvement in ideopolitical work with young people who go into the Army from Kosovo and all other communities. It was assessed that life in army collectives had a positive influence on the development of the political consciousness of a soldier, it deepened and strengthened mutual trust and consolidated brotherhood and unity in action.

It was emphasized that political awareness, camaraderie, and mutual trust must be further strengthened in the army. Communists will persistently fight against all incidences of national exclusivity and distrust among people, no matter which side they occurred on. Isolated attempts by individuals to express distrust toward members of the Albanian nationality, either because of the Paracin crime or for other reasons, must be decisively avoided through political or other measures.

Briefs

Foreign Debt in 1986

According to the National Bank's annual report for 1986, Yugoslavia's debt was \$20,591,000,000 for that year. In the hard currency area, the debt reached \$19,107,000,000 and in the clearing accounts area, \$1,394,000,000. In comparison with 1985, the total debt was reduced by \$1.1 billion; the medium- and long-term debts were reduced by \$1,459,000,000, but the short-term loans increased by \$350 million. In the clearing accounts area, the debt was reduced by \$37 million. [Summary] [Belgrade BORBA in Serbo-Croatian 30-31 Jan 88 p 6 AU]

Exports Increase

According to the just published figures by the Federal Institute for Statistics, the value of Yugoslav exports in 1987 amounted to \$11,425 million. Exports in 1986 were worth \$10,852. The value of exports to hard currency markets was \$8,526, while exports to the clearing market were worth \$2,899 million. The value of goods and service imported in 1987 was \$12,603. In 1986 imports were worth \$12,914 million. The value of imports from hard currency markets was \$9,525 million, which is \$214 million less than in 1986, while the value of imports from the clearing market amounted to \$3,078 million, which is \$98 million less than in 1986. [Summary] [Belgrade BORBA in Serbo-Croatian 26 Jan 88 p 4 AU]